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# HELSINKI QUARTERLY 2 | 08



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# Research, Innovation and Quality of Life

The municipalities of the Helsinki Metropolitan Area share a joint vision. According to this joint vision the Helsinki Metropolitan Area is a dynamic world-class centre for business and innovation. Its high-quality services, arts and science, creativity and adaptability promote the prosperity of its citizens and bring benefits to all of Finland. The Metropolitan Area is being developed as a unified region close to nature where it is good to live, study and learn, work and do business.

In order to proceed in direction with this vision all municipalities in the Helsinki Region agreed upon organising an international competition entitled the Greater Helsinki Vision 2050. The competition brought 86 accepted contributions. The competition was an open, international planning competition. Even by international standards, it was exceptionally sizeable. The jury for the Greater Helsinki Vision 2050 ideas contest felt that the competition assignment proved challenging for the participants, and that the best entries brought innovative and fresh ideas for developing the Helsinki region. The goal was to find new and open-minded residential, land use, and transport solutions for developing the region. The entry called 'Emerald' was the winner of the Greater Helsinki Vision ideas competition (see [www.greaterhelsinkivision.fi](http://www.greaterhelsinkivision.fi)). Tuomas Rajajärvi, Director of City Planning, Helsinki City Planning Department, presents a number of major design projects which will turn old harbour and industrial areas into

new city districts with maritime flavour. The new city districts will also have a distinctively urban feel. The new areas will accommodate new residents, new jobs, new activities and attractions.

To make the most out of a time of major changes requires appropriate information and knowledge support actions. The City of Helsinki puts strong emphasis on being a knowledge city and in line with this effort lot of attention is paid to education on all levels, and to research, innovation and development. This issue of Quarterly includes articles dealing with sustainable innovation, innovative platforms for self-renewal, art and design in implementing regional development tasks, and creativity in the suburbs, and culture.

Urban research at City of Helsinki Urban Facts analyses urban phenomena from many perspectives. The present urban research program embraces a great number of projects many of which are conducted in collaboration with universities and other research organisations, and in cooperation with the municipalities in the region. Co-operation and networking are key success factors. Today, the demand for comparative urban research is growing. It is important to know how your city and region compare with other cities and regions on national and international level.

Access to advanced urban statistics and well-kept data holdings including also wealthy geo-referenced data provide unique opportunities for urban studies

and research on Helsinki and the Helsinki Region. Another special strength of the urban research operating environment in Helsinki is the Network on Urban Studies. There are today altogether nine professors specialised in various fields of urban research. The research fields are: European metropolitan planning, urban history, social policy, urban sociology, urban economics, urban ecology, urban ecosystem, urban technological systems, and urban geography. These professorships are co-financed by the municipalities, universities and the Ministry of Education. The professors are located at the University of Helsinki and the Helsinki Technical University.

Throughout the world there is much research focus on competitiveness of cities and urban regions, metropolises. Europe is increasingly dependent on its

urban and city locations as major centres of economic activity and the source of innovation, self-renewal and other competitive assets. In most European countries, typically 30–40% of the national Gross Value Added (GVA) is produced in the capital region and other major metropolises. The structure of the economy has a crucial influence on the economic performance of a city.

Among the European metropolises Helsinki stands out as a modern and dynamic city (see the Statistics Division, pp. 54–57). The service sector predominates, as is the case in most other metropolises. The share of the economy occupied by the public sector is close to the average of the all the metropolises together.

*Asta Manninen*  
*Director*

# Old harbours a fine asset for Helsinki

**Tuomas Rajajärvi**

**Helsinki is being developed as a European city. In recent decades, a trend in European port cities has been to move harbours and shipyards out of city centres. This has happened in Amsterdam, Rotterdam, Hamburg, Malmö and many other cities. Europe today boasts several examples of creative urban planning and construction.**



Helsinki City Planning Department.

Today, Helsinki is experiencing a phase of great opportunity. The new harbour in Vuosaari to the east of the city centre will be finished by the end of this year and will, as a result, entirely take over container traffic from the inner city harbours Sompasaari and Western Harbour. In future, only car and passenger ferries and cruiser liners will use the quays and terminals in the city centre. Within a few years, the oil harbour in Laajasalo will also be closed, to leave the area available for construction. Helsinki has the opportunity to build a significant number of dwellings and premises on excellent spots close to the very heart of the city. As an example, Jätkäsaari lies just two kilometres from the central railway station.

To date, change has been confined mainly to the drawing board, but soon computer drawings and miniatures will be followed by actual construction. The two new districts of Jätkäsaari and Kalasatama will have a distinctly urban structure and thus significantly raise Helsinki's profile as a place where you

can find varied and attractive housing. In combining proximity to the heart of the city with a thrilling environment, these new districts are likely to become a real asset to Helsinki.

These new inner city neighbourhoods will feature typical blocks of flats, but alternative housing will also be available, including linked detached houses and combinations of terraced houses and blocks of flats. Even floating homes and ships as housing. Penthouses will form part of the selection as well.

## **Jätkäsaari**

Dense construction, shops at the ground floor and trams in the streets are typical features of the inner city. This traditional urban structure will be found in Jätkäsaari. The first master plan of the area has been drawn up, and construction will start in 2009. This is going to be a mainly residential inner city district, with a total of 15,000 inhabitants and 6,000 jobs.



Beacon- park view in Jätkäsaari. © Architects Sarlin+Sopanen Oy Ltd. Helsinki City Planning Department.

A factor adding to Jätkäsaari's special profile is the salty atmosphere of the old harbour, and the ever-present proximity of the open sea. The neighbourhood park and the big sports house in the old Bunker warehouse will be available to all of Helsinki's residents.

The area originally consisted of three different islands, namely Busholmen (Jätkäsaari), Sandholm and Uttern. Gradually the cliffs of these rocky islands were blasted away and levelled and the islands joined by landfill. In its heyday, the harbour had over sixty cranes. Container traffic took over in the 1970s, and in the mid 1990s, some of the passenger and car ferries to Tallinn, Estonia, started using this harbour. Today Jätkäsaari is a large asphalt field with containers stacked on top of each other in long, straight rows. The most valuable buildings will be protected and those buildings that can be reused will find new purposes. The quays and their markings will be protected in the city plan, and so will the last remaining crane. Jätkäsaari also boasts Finland's smallest protected building, a telephone booth dating from the 1930s.

An icon of the Jätkäsaari area will be the curve-shaped Hyväntoivonpuisto, (Park of Good Hope), which runs through the whole neighbourhood. The park will provide a large zone for pedestrians and cyclists, with vehicle traffic crossing. The silhouette of the area will stay in keeping with Helsinki's profile as a metropolis without skyscrapers. The tallest buildings will be two 14-storey hotel towers, which will stand as a gateway to the area.

From the mainland side, the Jätkäsaari area will start with two rows of enclosed inner city blocks, with winding light traffic lanes. On one side of the street, buildings will have 2.5 storeys, which will bring light and spaciousness to the narrow lanes. In the collector streets, buildings will have shops on the ground floor. The first floor may be either premises or dwellings.

## Hernesaari

The planned Hernesaari neighbourhood has an equally central location near the attractive districts of Eira and Punavuori. In Munkkivuori in the centre of this area, a shipyard has existed for almost 150 years. The yard is giving up some of its territory in Hernesaari, but will remain in its original location by the Hietalahti basin. Hernesaari will provide housing for 4,400 people, and a plausible number of jobs estimated at around 2000.

Hernesaari would consist of three or four village-like parts. The core of each village would be a basin with a channel to the sea. Between the villages there would be green zones with playgrounds and sports grounds. The long shape of the area and the sea on three sides enables a sea view for almost all dwellings.

The skyline of Hernesaari will be in keeping with Helsinki's skyscraper free profile, too. In fact, buildings would have only 3-4 storeys at the south end and 6-7 storeys at the north - mainland - end.

Public transport in Hernesaari would be provided by a tram line to the heart of the city. Parking will be

mainly underground. A lane for light traffic will stretch along the waterfront. Possible water bus services – whether they will be functional and sustainable – are being investigated.

The majority of public services and jobs will be found in the north, mainland end. Business premises will be concentrated along the collector street. A second local hub for services will be the Sea Village in the south end, with boating and related businesses, including a yachting centre focusing on organising regattas in the excellent sailing waters off Helsinki. The centre would also host canoeing, windsurfing and other non-motorised boating pursuits. A yacht harbour with possibly up to 1,000 moorings would be built mainly for yacht clubs, but also to function as a guest harbour. Premises would include facilities for yacht clubs and warehouses for a boatyard.

## **Kalasadama – fisherman's wharf**

Jätkäsaari and Hernesaari will extend Helsinki's core to the south-west, and the Kalasadama (fisherman's wharf) in the Sörnäinen district will do so to the east. The area has had continuous harbour activity for over 150 years, but a big change occurred in the 1960s, when the Sörnäinen Harbour was enlarged to its present dimensions. The rocky islets were blasted and levelled out, and the water in between filled.

Another important change had occurred in the 1910s, when the first large power station and gas works were built in the area. The architecture of the power station is still considered to be of a high international standard. Currently, a more recent power station built in the 1950s is being dismantled and demolished. An adjacent power station built in the 1970s is still in operation.

The Kalasadama area will be closely integrated into the urban structure of inner Helsinki, and construction dense and varied. The area lies very centrally in terms of public transport, and already has a



Helsinki City Planning Department © Adactive Oy.

metro station. The blocks around the metro station are going to form the core of the neighbourhood.

The waterfront will be bordered by a light traffic path joining the existing light traffic network including the sling around Vanhakaupunki bay. As soon as the fishing harbour moves out, these routes are going to be opened.

The six kilometres of shoreline path will also have considerable recreational value. The scenery includes the bay, the cliffs and buildings on nearby islands, the church spires of the city and the wildlife reserve – a bird-watchers' Mecca – up in Viikki, as well as angling at the mouth of the Vantaa river, etc.

## **Keski-Pasila**

Not only are old harbours being converted for residential and business use. So is an old depot and rail yard area near Pasila railway station. Many functions from Pasila will move to the new harbour in Vuosaari, which will enable considerable development of the area. Pasila is becoming one of the most important development targets in inner Helsinki.

The main railway line passing through Pasila was opened in 1862. In response to the housing shortage

caused by rapid urbanisation the old Fredriksberg suburb soon came about, it is also known as Puu-Pasila, wooden Pasila. This workers' district was incorporated into the city of Helsinki in 1912.

There have been voices calling for the locating of the main railway station in Pasila. The idea originally came from Eliel Saarinen's city plan for a Greater Helsinki. Later, the idea of making Pasila an extension of the city centre was born. Today's Pasila on either side of the rail yard mainly dates from the 1970s and 1980s, with strong zones of business premises lining the railway to the sheltered housing farther away. All trains to or from Helsinki's main railway station stop at Pasila, which is, in fact, going to become the end station of certain trains.

An important objective in the building of Keski-Pasila (between east and west Pasila) is to improve the competitiveness of Helsinki and its metropolitan area by creating a neighbourhood with a new kind of urban identity. The idea is to turn the whole Pasila area into one and the same neighbourhood, the centre of which would be Keski-Pasila. A vibrant and thriving urban environment needs a mix of functions and a critical mass of inhabitants, and for this a maximum number of dwellings are planned for the zones bordered by business premises.

## Kruunuvuorenranta

The Kruunuvuorenranta area on Laajasalo island right to the east of central Helsinki will differ distinctly from the other old harbour areas. Although construction will be typically urban, the unique environment will make the area "close to nature". Half of the residential areas in the old oil harbour and its surroundings will be terraced or detached housing. Blocks of flats will also offer new alternatives. A varied population structure is an objective, and hence housing will



View towards Koirasaari. Helsinki City Planning Department.

include various kinds of tenure status, with 40 per cent free-market owner-occupied dwellings, 40 per cent various types of regulated owner-occupied housing including tenant-owned, and 20 per cent subsidised rented housing. Dwelling size will be varied, ranging from under 50m<sup>2</sup> studios to large family homes.

Once the tram line is ready, Kruunuvuorenranta will be perceived as "not far away". The tram line will also bring the versatile recreational opportunities of the area, including a classy beach, within reach for other Helsinki residents. While waiting for the tram line, a sea connection may be organised. The trip to the heart of Helsinki takes 15 minutes by sea bus.

One of the large oil cisterns may be preserved and converted into a summer theatre. The Stansvik manor and its mine pits, the Tullisaari Park and Kruunuvuori hill with its old villas also add to the high profile of the area.

The objective in Kruunuvuorenranta is to put in place a modern interpretation of the traditional suburb. Buildings will be placed as discretely as possible in the topography, yet making a clear distinction between construction and wildlife. The centre of Kruunuvuorenranta will host the most important commercial and public services, and a park.

# Sustainable innovation and innovation centres

**Antti Hautamäki**

**Innovation is a mantra of our time. It seems to be a synonym for something which is desirable, modern and the newest of the new. Innovation is a selling argument. Innovation has been subject to “post modernisation” turning innovation into easy and superficial creativity, akin to the latest fashion or even the latest colour of car.**

## **Turning point in thinking about innovation**

There is emerging, however, a new concept of innovation, which is related to solving the hard, unpleasant problems facing mankind in a global world. I mean problems like climate change, an increase in absolute poverty and societal changes in all countries connected to the global economy. Must we raise our hands and say that we have to accept the downward trajectory of society and the best we can do is to adjust to climate change and the brutality of globalization?

I use the concept sustainable innovation to denote the new, serious concept of innovation (see Hautamäki 2008). The philosophy of sustainable innovation is to harvest the creativity and innovativeness of people to solve the world's most malign problems (see Nordhaus and Shellenberger 2007).

Innovation, in this sense, is an ability to build the future of a person, an enterprise, a region or a nation (see Kao 2007).

In this article, I shall elaborate on the concept of sustainable innovation. Then I shall use the concept to give an outline of sustainable innovation policy. Finally, I shall consider the implications of sustainable innovation in the development of cities.

## **Sustainable innovation**

The prevailing concept of innovation refers to introducing something new and useful, whether it is a new product, service, process, operating or business model. Sustainable innovation adds to this notion aspects of sustainable development. I define sustainable innovation as such that it is based on ethically, socially, economically and environmentally sustainable principles.

Of course, all these principles are hard to achieve simultaneously. Take as an example a hybrid car: It uses petrol and electricity produced by the car in transit. Its consumption is about 4–5 litres per 100 kilometers. That's fine, but it still uses petrol and produces carbon oxides. On the other hand, ethanol based petrol is better for the environment, but it's produced mainly from corn. The demand for corn has, consequently, raised its price and that has a negative effect on the nutrition of the poorest people.

In business, the motivation for innovation has been to create superior competitiveness in the market place. There have been two strategies: To cut costs or to create better products as compared to one's competitors.

Sustainable innovation offers a third strategy: to create products or processes with desirable features like durability and material or energy efficiency. It seems that consumers and customers are demanding these kinds of qualities more and more and they are even willing to pay more for "sustainable products". At least we could forecast the growing demand and market for sustainable innovation. For example, the market for environmental technology like solar or wind energy technology is increasing exponentially today.

Innovation is also changing radically in realms other than sustainable development. I have summarised these other aspects to four tendencies or principles. They are inclusive, continuous and global innovation and innovative leadership. They are all related and also connected to sustainable development.

Inclusive innovation means innovating with customers, users and personnel. The user and customer orientation is becoming a must for enterprises in the global economy. The crucial matter for all organisations is the value of their products and services to their customers. It's better to develop products with customers than to hope that there might be a demand for a new product developed by the R&D department.

One aspect of inclusive innovation is the inclusion of "outsiders" at the innovation process stage. I am referring to the role played by citizens and other organisations in innovation. The open innovation paradigm developed by Henry Chesbrough is an example of this trend. At its core is the buying and selling of ideas and innovation, instead of doing everything within company confines, in-house (see Chesbrough 2003).

Another aspect of inclusive innovation is public innovation, by which I mean innovation based on voluntary peer production of public goods (see Benkler 2006 and Weber 2004). In this model, the innovation process is conducted in open networks, outside of market relations. The product is for the public or common good and is freely distributed. Contributions are based on voluntary participation and it is not regulated by a hierarchical structure. Public innovation is a network form of organisation. Of course, a coordinator is needed. This kind of network is implanted on the web, providing an example of social media. Steven Weber calls this kind of structure of innovation an end-to-end architecture (see Figure 1).

Inclusive innovation leads to the more general principle of innovation democracy. Eric von Hippel talks about democratising innovation, meaning that citizens could participate in innovation by using the Internet (von Hippel 2005). In a deeper sense, innovation democracy is a new form of democracy, where citizens have the right and the opportunity to be creative and to contribute to improvements in services, products and the structure of public organisations like municipalities, schools and hospitals. As Benkler and von Hippel emphasise, the emergence of innovation democracy has its roots in the education of the people, in the decreasing prices of personal computers and in the effectiveness and accessibility of the web. The authors of the book *Wikinomics* even state that web-based "mass collaboration" will change the economy, business and the government (Tapscott and Williams 2007).

Other aspects of sustainable innovation mentioned earlier are also worth elaborating on here. Innovation processes are increasingly distributed across the globe. Innovation is conducted in global networks with partners situated practically everywhere. A new knowledge is emerging in collaborations between people and organisations situated in different locations. It's important to understand that the location always provides a particular knowledge

**Figure 1: End-to-end architecture of public innovation**

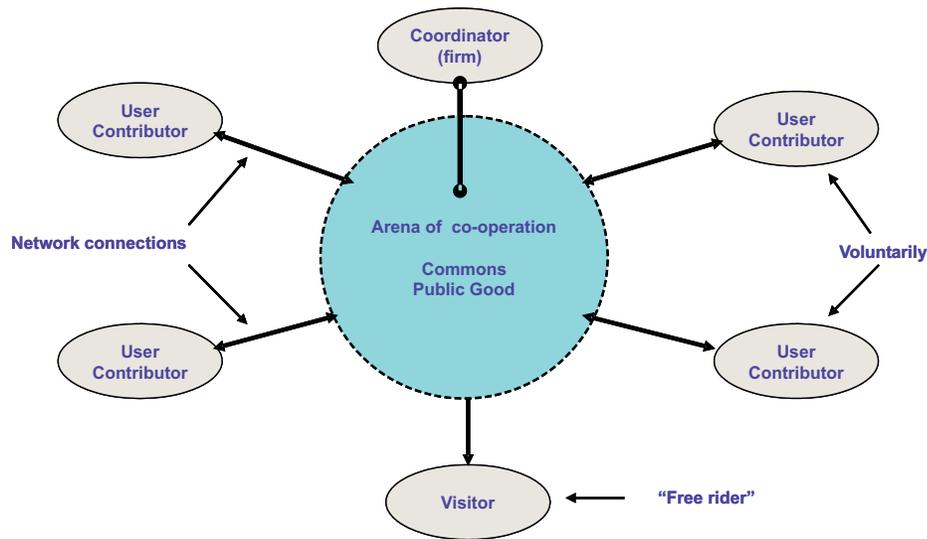


Figure: Antti Hautamäki

available only to the people living there. That special knowledge is emerging from the surrounding innovation ecosystem and creating unique historic and geographical conditions (see Hautamäki 2006). I will return to this issue later in this article.

Continuous innovation and innovative leadership are closely related. Continuous innovation is an ability to keep the renewing process going. It means also an ability to breach mental barriers, organisational silos and geographical borders. The notion of innovation culture nicely expresses the essence of continuous innovation. Innovation is not only a sudden realisation or the big idea, it is above all an attitude incorporating curiosity, risk-taking and questioning. Also creativity describes the capable character of continuous innovation: creativity is not an episode, it's the constant property of people and organisations.

It is well known that hierarchical organisations are not especially good in producing changes and new ideas. We see this in the present trend amongst big companies for buying small innovative firms, which have developed new technology or new business models. In large organisations like transnational

companies or municipalities the leadership is an essential part of their success in changing the world. Yves Doz and Mikko Kosonen launched the concept of strategic agility to describe the new kind of leadership needed when the pace of change is fast and when the nature of change is complex and systemic (Yves and Kosonen 2008)

Strategic agility consists, according to Fast Strategy, of three dimensions or properties (see Yves and Kosonen, p. 140).

- Strategic sensitivity: open strategy process and internal dialogue to identify and frame new opportunities in an insightful way.
- Leadership unity: collective decision making and commitment.
- Resource fluidity: fast and efficient resource mobilisation and redeployment

In my mind, strategic agility is especially important to avoid innovator's dilemma: a tendency of incumbent companies to become stuck in their own success and to their present products which have

been profitable so far (see Christensen 1997). Then companies are not open to the new ideas and the radical innovations that could create new markets. Consequently, they will lose their competitive edge to new, up and coming, smaller creative firms.

## **Innovation policy**

When studying innovation theory and innovation policy, I realised how loosely discussion about innovation policy is connected to the growing interest in climate change and global and social problems. Therefore, I created the concept of sustainable innovation to merge creativity and sustainable development.

The traditional innovation policy is legitimated by its impact on economic growth. This impact is mediated by an increase in productivity. So the formula for innovation policy is the IPG formula:

## **Innovation -> Productivity -> Growth**

Here, growth is usually measured by growth in gross national production. The IPG formula has directed innovation policy towards materialistic values and increasing consumption of limited natural resources. This has led to the acceleration of climate change.

Economic growth is the impact of the consumption of industrial and human capital. In economics the other two forms of capital, namely natural capital and social capital are neglected. Natural capital is seen to be a reservoir of minerals, oil, gas, etc. If a natural resource is exhausted, it is replaced by some artificial industrial product, and there is no loss in terms of economics. But lately, the obvious scarcity of natural resources is causing them to be recognised as something which must be preserved for future generations.

Social capital is a kind of trust capital referring to people's communal values. High social capital means that people are ready to invest in communities and co-operation. They respect benefits for the public or

"common" good. An important aspect of social capital is ease of access to resources within a social network. Social capital decreases the transaction costs of networking.

I think that all four kinds of capital (industrial, human, natural and social) are equally important elements in the development of the economy and society. This is the principle behind my presentation of the new ethical legitimation of innovation policy. The mission of innovation policy must be the improvement of the wellbeing of people. For that, economic growth is not essential, although it is an important condition, especially when people are living in poverty. Wellbeing means a good life and, for that, communities and natural values are indispensable. Instead of consuming capital we need a reproduction of capital. Reproduction means using capital in such a way that resources are available and usable in the long-term. Reproduction is a combination of using and preserving and this is exactly the property of sustainable innovation.

Based on the theory of four capitals and the concept of reproduction, we could define the ethical legitimation of innovation policy by the IRW formula:

## **Innovation -> Reproduction -> Wellbeing**

The core of this formula is sustainable innovation, producing wellbeing by the reproduction of capital (see Figure 2).

## **Innovation centres and the new logic of value creation**

The logic of value creation is changing in a profound way. The most important features of the new logic are the following:

1. The material constituent of value is diminishing and the creative, mental constituent is increasing.

2. Firms and regions are specialising in production where they are capable of producing the best value.
3. Value creation is realised in global value networks (value chains) connecting specialised, co-operating producers.

The feature 1 is the most important change in value creation. It means that material production (manufacturing) is becoming cheaper and cheaper. Profit is made through ingenious design, service models and the ability of products to represent the needs and desires of consumers (see Florida 2002). We can also say that the material composition of products, such as their technical properties, is no longer differentiating them. Design, in a broad sense, is creating the difference for consumers. For innovation policy, the first thesis implies that in developed countries like Finland, the ability to create and innovate is turning out to be the only way to survive.

The specialisation of regions must be based on their innovation ecosystems. By innovation ecosystem, I refer to dynamic localities (places) with a rich network of actors and elements needed in innovative production (see Hautamäki 2006 and 2007). Innovation centres are specialised localities with a world-class ecosystem (see Kao 2007). So innovation centres have a strong focus on capabilities and

knowledge so that firms operating within them could produce highly specialised, quality products and services.

The third feature of the new logic of value creation refers to the global character of value networks and the "division of labour". Value creation is the collaboration of specialised firms and regions with complementary capabilities and production. To be successful in this new logic, a firm or a locality must strategically identify its position within a value network: what are its strengths in a global division of production.

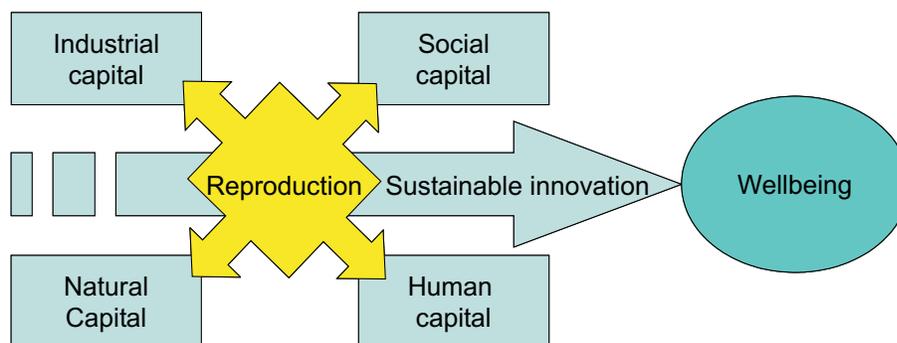
In summary, in a global innovation economy only high level innovation centres could blossom. Their success factors are:

- a strong creative culture and entrepreneurship
- highly specialised and focused capabilities and knowledge
- a world class innovation ecosystem
- global co-operation and networking.

## Towards a new innovation policy

Traditional innovation policy is no longer on safe ground. We could even say that the time of a national innovation system is over. Top down steering and funding of innovation activities isn't working any more. The new innovation policy must be based on

**Figure 2: Sustainable innovation produces wellbeing by reproduction**



*Figure: Antti Hautamäki*

principles of sustainable innovation and on the new logic of value creation. The most important vehicle of the new innovation policy is the building of innovation centres. In concrete terms, innovation centres are local spaces (regions) consisting of integrated areas which provide excellent conditions for people to live in and for enterprises to flourish. Their territory is a network of integrated and collaborating cities. Through their connections to surrounding cities innovation centres spread the wealth and wellbeing across a large region.

To be a competitive innovation nation in the future, Finland must invest in building world class innovation centres. To my mind, we could possibly create half a dozen innovation centres, if we concentrated our resources. For that we have to:

- identify the most promising regions with strong prospects for development
- deepen the strategic co-operation of local actors like municipalities, local or regional governmental agencies, universities, enterprises and other organisations
- direct a major part of research and development funding to the building of enabling conditions which strengthen the dynamics of ecosystems and their innovation activities
- commit Tekes, the Academy of Finland and the centre of excellence programme to regional innovation policy and objectives selected by local players
- merge universities into stronger research units and increase their funding
- adopt an active policy to support Helsinki's metropolitan region and big cities.

I know that my proposal is controversial. It is against the doctrine of competition in R&D funding and also contradicts traditional regional policy. But now it is time to redefine the policy. The new innovation policy must be based on a modern view of innovation and the real drivers of the global economy. We have to focus our resources on fields where we have the best capabilities and knowledge. We have to admit that innovation ecosystems, not a national innovation system, provide creative environments for enterprises. And we have to act globally, taking an active role in global networking. And foremost, the driving forces of innovation are market-oriented creative firms. These elements are included in the government's new innovation strategy. What is lacking in strategy is a strong commitment to sustainable innovation.

The Helsinki metropolitan region has the strongest concentration of capabilities and creative knowledge based firms. The population of the larger region (Uusimaa) surrounding the metropolis will very soon be 1.5 million. A major challenge for the region is to create a strategic commitment for all agencies to build a globally recognised innovation centre. One element of this building will be to develop a new innovation university to be amongst top tech-universities in the world. But perhaps the biggest challenge is to transform the metropolitan "growing machine" to meet the constraints of sustainable development. For that I propose that the Helsinki region should base its new strategy on the concept of sustainable innovation.

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# Innovative platforms for self-renewal

**Toni Saarivirta**

**Forum Virium Helsinki (FVH), located in Pasila, Helsinki, is a cluster project that develops digital services and information contents. The project seeks to bring together key actors in the field to a common forum or testing platform where innovation and testing happens smoothly and quickly. End-user feedback helps avoid the pitfalls of producer-driven product development.**

The Research Unit for Urban and Regional Development Studies (Sente) at the University of Tampere is working on a project called "Self-Renewal Capacity of Clusters" (Sere). One of its many case studies is the Forum Virium Helsinki FVH. The project is financed 2006–2009 by the Finnish Funding Agency for Technology and Innovation (Tekes), the cities of Oulu and Helsinki, and the Hämeenlinna Region.

The objective of the Sere Project is to identify: a) the key processes of self-renewal capacity and b) analyse the links between these key processes and the innovativeness of certain clusters and their member companies. Thus, the research issues of the Sere Project are mainly: 1) how innovation and creativity can be stimulated when cities are developed and 2) to what extent there is a correlation between strategic intention and emergent evolution in the context of city region development.

The basic premise of the Sere Project is that the concepts of competitiveness, clusters and innovation systems are still current, while at the same time the notion of development has to be challenged and renewed. Another premise is that information and knowledge are crucial production factors and that the most important process of the information economy is learning.

The background philosophy of the project also includes the idea that crises cannot be avoided but certainly prepared for: individuals, organisations or areas that have a capacity for self renewal will more easily adapt to crises and their aftermaths. In such cases, their own actions make a difference in the long run. What we wanted to find out in Helsinki was how Forum Virium Helsinki helps its participants to renew themselves.

## **Open innovation, doing together**

The traditional innovation process has found a rival: open innovation. As the name suggests, open innovation emphasises openness instead of closed processes. The man behind the concept is Henry Chesbrough (cf. Chesbrough, 2006). All knowledge does not have to be found within a company, but the knowledge exists, and it can be found outside the company. The crucial idea of open innovation is to find, process and adapt knowledge more rapidly than before.

With globalisation, the life span of products has become shorter, and information moves faster. Alternatives are sought to traditional processes of research and product development. One such alternative would be a more open type of operation, where synergies with other actors are the objective.

Companies today have become aware of the meaningfulness of collaboration in a context where you cannot do everything yourself. A matter that particularly interests companies today seems to be the involvement of consumers in the product and service development process. Kostiainen (2007) has called this a Quadruple Helix model, as an extension to the Triple Helix model, where universities, companies and public administration join forces.

The involvement of the end-users is supposed to bring faster product development and reduce the inaccuracy of traditional processes. End-user feedback helps avoid the pitfalls of producer-driven product development.

Twenty years ago, von Hippel (1988) studied the birth of innovation in the electronics business. One of his conclusions in his book "Sources of Innovation" was that end-users could often be the actual innovators in electronics, i.e. those who were able to come up with improvements to existing equipment or solutions and bring these to the attention of producers. End-users could even build prototypes for a new piece of equipment.

The client perspective in innovation has also been brought to the fore by W. B. Arthur (2007), who describes the birth processes of important innovations such as radar, the turbo jet and polymeric chain reactions. According to Arthur, the same logic has applied to all of these new technologies: they have been born out of a need to which existing solutions could not respond.

Cooperation has been a way of gaining momentum for business and innovation. One concept currently being discussed is the platforms for development. The European Commission (2004) defines as a

development platform (in a technological sense) an entity where certain actors who have an interest in the matter meet. The platform seeks to promote the development of the relevant issues and create a critical mass for the birth of research and innovation. Technological platforms have been used in, for example, the car and the computer software industries (Asheim, 2006). The actors of a development platform are able to make independent decisions fast, as with Forum Virium in Helsinki.

## **A model for self-renewal capacity**

A preliminary theoretical framework for Sente's project "Self-Renewal Capacity of Clusters" has been the model seen in Figure 1.

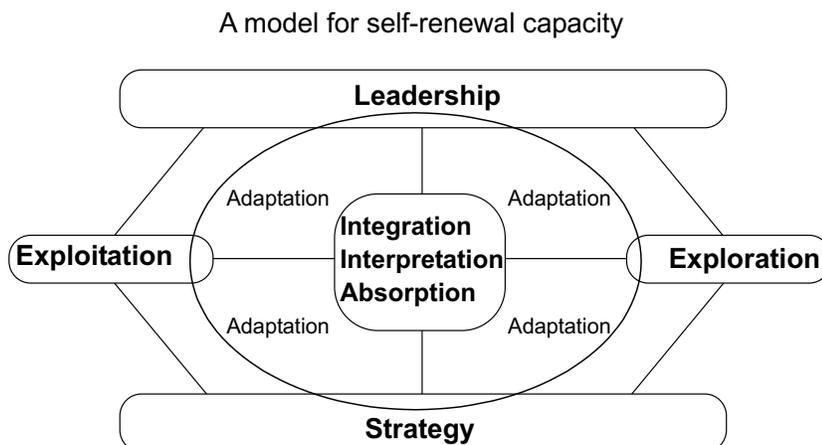
The premise of the model is that adaptation is at the heart of self-renewal. Adaptation consists of integration, interpretation and absorption. Self-renewal requires, above all, an ability to exploit existing knowledge and explore new findings. In addition, leadership and strategy are needed to keep the process and its orientation under control (Sotarauta, 2005; Ståhle, 1998; Saarivirta, 2007a, 2007b, Kostiainen, 2007.)

An example of a reasonably swift recovery from the economic depression of the early 1990s is the city of Tampere. This number two in size among Finnish city regions has been known as an industrial city. But the city was able to find new solutions to replace and complement traditional manufacturing. ICT turned out a vital element, for the reason that the region had a solid skill potential, in which the University of Tampere played an important role.

Universities have played an important role also as boosters of human resources in all fields of industry. A constant quest for new working models and a readiness to break old habits are also crucial for self-renewal.

In a hierarchical sense, self-renewal would rather start from the individual and expand to companies,

**Figure 1. A model for self-renewal capacity**



Source: Sotarauta, (2007), Saarivirta (2008)

organisations and areas. Thus it is a learning process that spreads to the organisation and through which actors can create dynamics to renew established customs.

### Forum Virium Helsinki in brief

Forum Virium Helsinki (FVH), a “living laboratory” located in Pasila, Helsinki, is a cluster project that develops digital services and information contents. The project seeks to bring together key actors in the field to a common forum or testing platform where innovation and testing happens smoothly and quickly. The member organisations combine their skills and knowledge to try to make innovations and to brand new services. The objectives are to create an open innovation milieu for companies and to make them launch large common projects. (Forum Virium Helsinki, 2006a, 2006b, Liiton Arkki, 2006.)

FVH came about on the initiative of companies, and the projects launched also originate from the member companies. Forum Virium Helsinki’s key member companies are Destia, Digita, Elisa, Logica, Nokia, TeliaSonera, TietoEnator, Veikkaus, YIT-Group and the Finnish Broadcasting Company. Partners include Itella, SOK, MTV Media, Swelcom and

Vaisala. The public sector is represented by the City of Helsinki, SITRA (The Finnish Innovation Fund), TEKES (Finnish Funding Agency for Technology and Innovation) and VTT (Technical Research Centre of Finland).

Basic funding for the FHV in 2006 amounted to €1.4 million, of which Helsinki covered around 60%, companies around 30% and others around 10%. Companies provide roughly half of the project’s funds, the rest coming from various research financiers. FVH has five steady employees (Forum Virium Helsinki, 2006a.)

### Self-renewal capacity at FHV

The empirical data on FVH was collected through interviews in spring and autumn 2007. A total of 11 interviews were made, each taking between half and one hour and a half. The interviewees were mainly prominent representatives of the member organisations. They said they had joined the FVH for the sake of work but also for their own personal interest.

The findings produced by the model built by Sente show that exploration – with its strengths and drawbacks – is crucial in developing one’s competitiveness. Yet, although organisations find exploration im-

portant, relatively little is invested in it. The fear is that yield may not correspond to expenditure.

Collaboration has opened new opportunities to reduce and share expenses for exploration. "If you can't go, maybe your partner can." It goes without saying that exploration today must have a distinct objective.

The benefits of exploration for the FVH have included, on one hand, the collecting of user experiences of products and services and, on the other, "opening your eyes" to new things and learning new ways from other kinds of organisational cultures. Contacts with various kinds of actors have enriched people's own work. The management of the FVH also thinks cooperation between member companies has increased. It is yet too early to assess the benefits of exploration, since FVH has been operation for such a short time.

Participating in the activities of the FVH is easy for the member organisations, and it does not require additional resources. Nobody in the organisations works predominantly with the FVH, only alongside their ordinary work. The activities of the FVH are seen as systematic, consistent and person-related. The extent to which members engage in FVH's activities very much depends on their own initiative. The member organisations are also very aware of international cooperation with the FVH.

Although the City of Helsinki is a strong background actor, no single organisation has taken a decisive leadership role at FVH. Member organisations feel they are all in an equal position. The staff at FVH are seen as coordinators and minders of practical matters. According to members, successful strategic work and management require an ability to understand the interests of various actors. A uniting force is a common interest in the same matters. In this type of network activity there is no direct leadership, which means that indirect influence gets a stronger role. In an activity of the FVH type, the coordinator

and their example and dynamism are important factors.

The routines of companies are shifting, too, towards greater openness – at least partially, and this way, new business ideas may come about. Yet at this stage, open innovation seems to require that members should, at least to some extent, be in different lines of business.

Since FVH is still so young, it is hard to assess it in terms of the exploitation phase seen in the model for self-renewal capacity. The exploitability of findings also determines whether there is any point in further exploration. Mere imitation and copying of the solution of other actors is not enough. Strategy and leadership are important in self-renewal, but there has to be space and readiness for random encounters and unforeseen developments as well.

## Conclusions

Development platforms can undoubtedly be seen as important parts of the innovation system. These are places where self-driven, endogenous, dynamism can be stimulated and innovation and creativity promoted. Established practices in research and product development are changing in a more open direction, where quick decisions are an asset.

Forum Virium Helsinki clearly has an important role from the perspective of the member organisations. In the framework of FVH, members can see how their peers function and, when needed, renew their own practices. As different kinds of business cultures meet, people may start looking at things differently. Members realise that their safe and familiar way of handling things may not be the only or the right one.

It is clear that the capacity for self-renewal can be strengthened, and it is probable that this will happen increasingly in future, too, if the experiences of FVH are favourable. At the moment, the non-concrete-

ness of exploration is still perceived as something odd, for which reason investment in exploration is still modest. But routines are changing here.

In the spirit of open innovation, the idea of end-users as innovators is coming more and more to the fore. The Quadruple Helix approach will bring new

operation models for R&D. Some of the member organisations of FVH feel the forum should be even more open, because it would enable faster reactivity in the ever changing environment of ever accelerating globalisation. Organisations will have to renew themselves to be successful in this competition.

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# Helsinki enhances co-operation in the region of the Gulf of Finland

Jasmin Etelämäki

**In the new international strategy of the city of Helsinki<sup>1</sup>, prosperity and growth of the Baltic Sea Region is seen crucial to the future development of the city. Particularly the metropolises surrounding the Gulf of Finland; Tallinn and St Petersburg are seen as important partners. Together the three metropolitan regions can create the critical mass and services needed to construct an innovative environment, which could attract business and talents in the global competition. According to its vision<sup>2</sup>, the Helsinki Region targets to be the hub of innovation and business based on science, arts, creativity and high-quality services. International activities of the City of Helsinki support the implementation of the vision. Well- network, prosperous and functional Baltic Sea Region (BSR) is in the utmost interest of Helsinki.**

International co-operation and networking are seen as tools of the Baltic Sea Region( BSR) prosperity. Triple-helix co-operation might sound somewhat old-fashioned term in Finland, were the business, ac-

ademia and public sector have build up common institutions already long time ago. In the Baltic Sea Region, particularly in the Eastern neighbour cities of Helsinki, the situation is more complicated. Triple-helix co-operation bodies in the Helsinki Region, such as Culminatium and centres of expertise, raise continuous interest abroad. The pioneer reputation of the region is an advantage in international cooperation related to business development and innovation activities.

## **Implementing the Vision– SPb InnoReg Project**

Co-operation between the cities of St Petersburg and Helsinki has well established formal channels partly due to common history of the two cities. The latest co-operation protocol of the cities was signed just two years ago and almost every head of department in Helsinki knows personally their counterpart in St Petersburg, which is unusual situation in the European city perspective.

To support the development of economic co-operation and further deepening of the partnership with St Petersburg at the officials' level, the City of Hel-

<sup>1</sup>International Strategy was presented to the City Council on 13<sup>th</sup>, February 2008.

<sup>2</sup>"The Helsinki Metropolitan Area is a dynamic world-class centre for business and innovation. Its high-quality services, arts and science capabilities, creativity and adaptability promote the prosperity of its citizens and bring benefits to all of Finland. The Metropolitan Area is being developed as a unified region, close to nature, where it is good to live, learn, work and do business." [www.helsinginseutu.fi](http://www.helsinginseutu.fi)

sinki uses the tools provided by European funding instruments. The International Relations Unit, Office of Economic Development, Urban Facts Centre and the Cultural Department of Helsinki participate in the TACIS-funded project called Promoting Regional Innovation System (RIS) in St Petersburg through Transnational Co-operation, SPb InnoReg. The aim of the project is to create a network of experts and use it to develop the Regional Innovation Strategy of St Petersburg. The Lead Partner of the project is the Baltic Institute of Finland and 12 other partners participate to the project from Finland, Germany and Russia. Regional Development Company Culminatum participates to the project together with the City of Helsinki. The project started in August 2007 and it will last until the end of 2009.

Helsinki City Departments bring in their various areas of expertise in the SPb InnoReg project. Business Development Unit provides information on supporting triple-helix co-operation and provides expertise in analysing RIS of St Petersburg. Urban Facts Centre presents ways of collecting and analysing information of innovation activities in the city, for example with using geographical information systems, GIS. The Urban Facts Centre is an important example of facilities needed in supporting innovative development, city specific studies and statistics play a crucial role in proving innovative development with appropriate information. Cultural Department of the city will consult on creating a program for personnel exchange of creative actors. In the project the aspect of creativity is brought up through innovative city planning and personnel exchange in the cultural sector, in such places as the cultural centre Suvilahti. The role of the International department is to coordinate activities and to facilitate co-operation up to match making between Helsinki region institutions with their respective partners in St Petersburg.

## Results and expectations

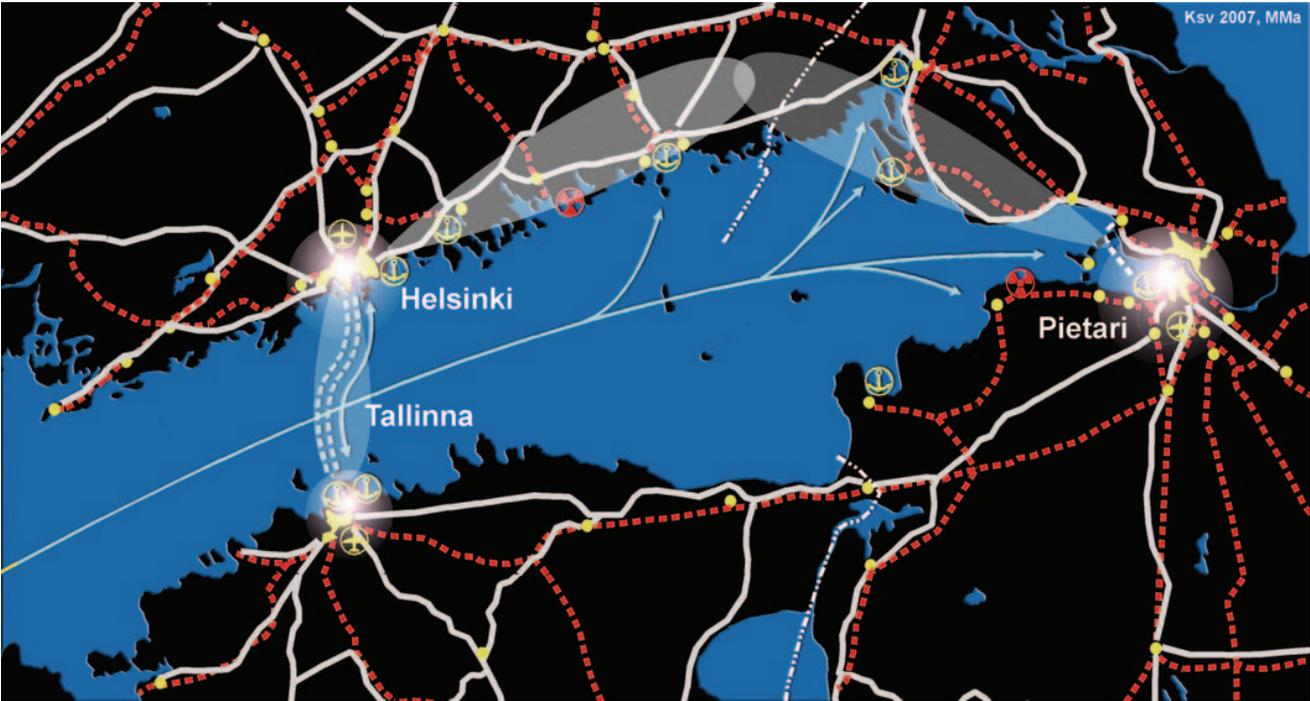
In St Petersburg the SPb InnoReg project has raised considerable interest. Project was approved as a part of the innovation policy implementation program of St Petersburg, an important step which facilitates the project co-operation in the future. The Innovation program of St Petersburg covers the years 2008–2011 and it includes a wide range of ambitious actions, such as establishing an IT park and creating programs to support innovative SME development in St Petersburg as well as abroad through international science park and cluster development co-operation. One important part of the SPb InnoReg project is to analyze the innovation policy program and its implementation.

During the first half years period the project activities have included study visits to Finland, St Petersburg and Germany, networking seminars and participation to a fair of laser optics, possibility organised by the Wista Management GmbH in Berlin for the SMEs from St Petersburg. In the Helsinki region, the Centres of Expertise managed by Culminatum were presented to the St Petersburg in Mid-April and plans for concrete future co-operation were agreed. Assistance in finding the right contact points in St Petersburg was seen particularly important for SMEs which need support in their activities to enter the Russian markets. Next activity arranged by Helsinki will be the city planning seminar which provides information of development of an innovation friendly and sustainable waterfront city. The seminar is executed together with the City Planning Departments as well as Helsingin Vesi and Vodokanal.

One of the main aims of the project from the Helsinki point of view is internationalisation of the projects and plans described in the Innovation Strategy of the Helsinki region. The project actors also wish to

support innovative SMEs in the Helsinki region and facilitate their actions to enter the growing markets of St Petersburg. In general the project gives the Helsinki region actors unique opportunities to have information on the future development plans of St Petersburg and create trust needed for future co-operation with the neighbour city.

Source:  
For more information please contact the coordinator of the project in the City of Helsinki: Jasmin Etelämäki, International Department, tel +358 9 310 644 37 email [jasmin.etelamaki\(at\)hel.fi](mailto:jasmin.etelamaki(at)hel.fi)



# Creativity in the suburbs – opportunities for artists to work in the suburbs

**Satu Silvanto**

**Today, a key word in urban policy is creativity. Spectacular arts institutions, vibrant cultural blocks, high-profile festivals and other events exist to enhance creativity. This mostly takes place in the city centre, where there is a focus on the consumption of art and culture (Bianchini 1993). The outskirts of the city and those who engage in cultural activities there, especially the artists, receive less attention.**

Yet, arts and culture are produced and consumed in the suburbs, too. In Helsinki, the suburban cultural centres of Kanneltalo, Malmitalo and Stoa (cf. Silvanto et al. 2005) provide forums for this. So do the neighbourhood centres Vuotalo, Kurkimäki and Kontupiste, and the residential blocks, where the residents have been active in holding village parties and small-scale cultural events (cf. Merimaa 2007).

Works of art have been displayed in public. In Arabianranta, they had already been integrated into construction plans at an early stage (cf. Isohanni 2006). Funded by the Helsinki City Suburban Project and the EU-funded Urban Projects, artists have worked on various environmental and community arts projects in the eastern suburbs, together with the residents (cf. Karjalainen 2000, Karttunen 2005). The city has endeavoured to raise the profile of

Vuosaari by building a house for artists there (cf. Silvanto 2006).

The Artists' House in Vuosaari was special in the sense that it provided housing for artists rather than working premises. Despite recent efforts to highlight creative work, the position of artists in our society is still weak. And yet, as Richard Florida puts it (2002), artists are the noblest of creative workers and increase the appeal of a city to other knowledge workers and firms. Also, a majority of artists have very modest incomes (Rensujeff 2003, 84–91) and receive inadequate social security benefits. Artists typically have short-term jobs, often several at the same time (Arpo 2004, 6). With greatly increasing numbers of artists in recent decades thanks to expanding artistic education, scholarships have been under heavy competition (Karhunen 2004, 43). Almost half of Finnish artists live in Helsinki or its closest neighbouring communities (Rensujeff 2003, 19).

Thus, as Sari Karttunen points out (2005, 161), there are many artists who might be interested in working in the outskirts of the city. My own findings show that a section of artists in Vuosaari were prepared to work in their residential district (Silvanto 2006, 59–67). For some artists, of course, the suburbs are not the social milieu they need for inspiration. But knowing that the presence of artists at work can improve the quality of a neighbourhood, it would

benefit an area to develop opportunities for those artists who like it there. Today, there are only a handful of artists who actively work amongst the residents, and comments about their work have only been encouraging (Karisto 2001, Karjalainen 2000 & 2003, Karttunen 2005).

What could the implementation of such developmental measures amount to in practice? I will try to give an answer here by drawing on my study (Silvanto 2006) on the Vuosaari Artists' House, for which I interviewed 11 artists living in the house. But my main source will be the interviews I conducted with three artists who had worked in the suburbs for many years, and with the coordinator of the Urban Project, a project which has employed artists in suburban districts.

### **Shortage of funds and premises**

The Helsinki City Suburban Project and the EU-funded Urban Projects have provided funds for artistic activities mainly in eastern Helsinki, but now this financing has finished, at least for arts projects. The Helsinki City Cultural and Library Committee has granted scholarships to some arts projects in the suburbs, and two artists known for their community and environmental arts in outer Helsinki have received personal artists' scholarships. Amateur groups have been entitled to project grants of €1,500 if they hire an artist to instruct them.

As a rule, artists find it hard to obtain scholarships. One explanation mentioned is that the Arts Council of Finland has no special committee for environmental and community arts.

Works of art produced in cooperation with the local community are lengthy processes, and funding is needed for longer periods of time. This has not been provided even by the Suburban Project and the Urban Project: Artists have been employed on a short-term basis and could not be certain that they would be able to finish their projects. As one artist said, you can

complete a pedagogical project in six months, but ambitious artistic projects that improve the living environment need more time. Another artist suggests that other agencies, such as housing and maintenance companies could fund arts, too. The Arabianranta model, where local housing companies were already obliged to participate in the funding of works of art at the planning stage, could be applied elsewhere as well (cf. Isohanni 2006).

Artists are often supposed to work for free, which may cause conflict. A resident of the Vuosaari Artists' House said people do not understand that artists are professionals who have to make a living too, and cannot do voluntary work the way other Finns do in their spare time. Another interviewee said artists have no time for voluntary community work because they constantly have to try to make ends meet – and create something artistic, as well.

Still, many artists have actually worked without payment, because they have wanted to show their solidarity with the local neighbourhood community. But there is a limit, and artists need to make a living just like anyone else.

In certain artistic fields, premises are almost as important a factor as scholarships (TAO 2002). My study on artists in Vuosaari clearly showed a shortage of premises in which to work and perform. All three of the experienced suburban artists I interviewed pointed this out, too. They felt premises should be neutral to allow for different kinds of use. There are premises available, but often at too high a price.

### **More courage and training needed**

Artists who had worked on suburban arts projects said they had occasionally entered into roles for which they were not prepared. Besides their own work, artists had become community workers, kindergarten aids and even marriage counsellors – expected to be available 24 hours a day, seven days a

week. Artists call for better cooperation with other professionals in the area.

"Yes, working in a suburb is very demanding; it's got a social and didactic side to it along with the professional element. The ideal for an artist would be to work in a neighbourhood, say, three times a week. I worked there more or less around the clock including weekends and it was totally exhausting, there are so many new things cropping up. I really have to stress how important it is that cooperation with the green area planners and architects works well, not to mention with social work, too. This kind of suburban work calls for commitment from many others, too, if we're supposed to achieve more ambitious goals."

The work becomes easier if the artist's education has included working in a collective. Council officials would also need training. As one artist put it, "Council people don't know enough about the arts." Nonetheless, cooperation with the city has improved over the years, as both parties have come to know each other's ways. Even the application procedures for public arts are seen as something positive: "Somehow I like it that we have this kind of mechanism where you find people who are specialised in doing this sort of thing, so we don't make a lot of mistakes. When you have completed the process and have the permit in your hand no-one's going to hold you responsible if something goes wrong."

But city bureaucracy can also be discouraging. "Art is always new, its very essence is to develop and improve, so it's frightening, too. The city administration is not prepared to take risks. And a reluctance to take risks hardly fosters artistic creation." The fact that authorities may have very different ideas on things made life harder for artists, at least in the Urban Project. The artists became something like pawns in the various conflicts between the authorities. In principle, art projects could have had the opposite effect, i.e. teaching officials new cross-administrative skills.



Artists' House in Vuosaari built by the Foundation for Helsinki's 450th Anniversary.  
Mika Lappalainen (2005).

## Prejudices an obstacle

My study on the Artists' House in Vuosaari already showed that artists working in the suburbs encounter many prejudices. My experienced interviewees mentioned the same thing. Residents may have prejudices about artists and their way of working. Some people do not want artists to "disturb their circles", "I remember now, a posh woman from the owner-occupied zone came up to me and said neither of us fitted into the neighbourhood." Yet the coordinator of the Urban Project, who brought artists to work in neighbourhoods, reports that in his project the mysticism surrounding art and the prejudices against artists gradually vanished as the work proceeded: "eventually, they wanted artists everywhere."

An artist's colleagues may also shun suburban community arts. One of the interviewees felt he had been expelled from the artists' community when he started such work in the early 1990s, "They said I'm not an artist anymore, just a social worker." Over the years, he had overcome the pain, but his contacts with these colleagues were broken for good. Another

artist said he had unintentionally – but symptomatically – been called a “block artist”. Yet another said he had received both nice and unpleasant comments from colleagues, “It’s all up to you anyway, if you value your own work.”

As the artists pointed out, one reason for negative reactions towards local community arts was that they were relatively new in Finland – there was not even a word in Finnish for it. It is also a generational matter; younger artists seem to have accepted it as a normal branch of visual arts. Yet, scholarship policies show that not all participants in the arts community accept it.

One of the residents of the Vuosaari Artists’ House said there is no point in mentioning in your CV that you have been doing local community arts. Yet, the situation may be changing in this field, too. And those who had done this kind of work in suburbs felt it had not hampered their career as artists. On the contrary, their professional skills had developed and expanded and “it had enriched their lives”.

It seems that the challenging (rather than problem-solving) nature of community arts has made the city administration unwilling to take the risk of using artists for clearly defined purposes (cf. Miles 2005). Yet, the city should try to use the creative potential of artists rather than “steer” them. And according to one artist, the artists in their turn could work on their ability to express their own ideas in a way that officials understand.

## **Quality of the arts, personality of the artist**

Several analyses show that the work of artists in suburban communities has had many social effects (Matarasso 1997; Karisto 2001; Karjalainen 2000 & 2003). Yet, the artists I interviewed felt the artist should concentrate on their own work and not promise anything that goes beyond that. Thus, the quality

of the art itself is the best criterion for success. On the other hand, one artist felt that too strict quality criteria might hamper their work in the community.

The task of the artist in the suburban community is not to “train” the residents, but rather to improve the living environment through art. Artists noted that this kind of art is also easily accepted by residents, who can be surprised at how works of art can improve a neighbourhood. Yet, you cannot please everybody, and there are bound to be negative reactions as well, which in turn shows that a debate has been initiated.

Despite many positive reactions, the social effects of the arts may not always prove positive. One interviewee said a community arts project may even, at its worst, humiliate people. The community artists also need to be able to be sensitive to various kinds of social situations. Yet at the same time, their work requires an open mind, much courage and an ability to make people enthusiastic. Thus, the personality of the artist is crucial. One interviewee said, “This really doesn’t suit all artists”.

## **Motivation through feedback**

How can artists overcome all the difficulties we have listed so far? Important factors include the opportunity to work in your own profession and get paid for it. An interest in what other people in the community do is also important. A willingness to participate on a voluntary basis with suburban residents in arts projects – a sentiment not necessarily found in the inner city – was also worthwhile. One artist found it interesting and educational to cooperate with the city and its departments. Another felt he had “been given a free hand to do different kinds of projects”.

Yet, the most rewarding factor by far was, according to my interviewees, the friendly comments of residents. As one interviewee put it, “The joy that came from the residents gave me lots of energy. That was the best thing.”

## Creativity in suburbs through inclusive arts

There are artists in the Helsinki Metropolitan Area who would be ready to work in the suburbs. How could this potential be used to the benefit of artists as well? The first criterion is long-term finance. Professional artists cannot be expected to work for free. This seems self-evident, but it is not always the case. Finance could be mobilised from various city departments, housing and real estate companies, as well as maintenance companies. At its best, community arts can save money as residents become more committed and participation in more nefarious pastimes decreases (cf. Matarasso 1997, 44–45).

Some housing companies also have premises suited for artistic creation. Declining, empty shopping centres could be turned into meeting places for artists and residents and common working premises insofar as they are suited for the purpose (cf. *Selvitys taiteilijatyötiloista Helsingissä* 2006, 26–42). Artists must also be prepared to work in public. A priori, the sight of an artist at work behind the shop window seems an invigorating idea. Of course, constantly working in a “goldfish bowl” is not suitable for all artists (cf. Silvano 2006, 61).

Yet, many artists might very well consider working together with residents for two or three days a week and reserve the rest of the week for their own work. Depending on the project and the orientation of the artist, they could work together with the green area planner, architect or social worker in the locality. Cooperation could be forged with local schools, youth centres, hospitals, elderly residential homes and parishes (cf. Liikanen 2003). Parishes might also have premises or the economic resources for artistic creation.

Evaluations of the Helsinki City Suburban Projects suggest that participation in the activities organised by local community artists has given people joy and quality of life – factors that along with the resulting spontaneous creation of a network can help prevent social exclusion and thus save money in the long-term. The innovative angles provided by artists have catalysed development processes (Karisto & Karjalainen 2000, Karjalainen 2000). The mere fact that you can participate in different kinds of activities seems to be of importance (Turtiainen 2000; cf. Linko & Silvano 2007).

Of course, structural social problems cannot be solved by artists working in suburbs (Miles 2005). And as Antti Karisto and Pekka Karjalainen (2000) find, it is a matter of a one-step-at-a-time policy, with small improvements in people’s everyday lives. It is also about promoting creativity and tolerance (cf. Linko & Silvano 2007). It is true, of course, that some artistic pursuits or works of art may cause strong, even adverse reactions. Some works of art may – or may be perceived to – express an opinion, sometimes about delicate matters. Yet putting these things on the table may be the beginning of finding a solution for conflicts.

Even if a work of art stirs up conflict, it opens new angles and thus brings dynamism into a local neighbourhood. Inclusive artistic creation in a neighbourhood may increase residents’ interest in their own living environment and their commitment to the development of their own neighbourhood. This kind of new energy can be perceived as threatening by the city administration. Yet it opens the doors to a new kind of dialogue between the residents themselves and between the residents and the city administration. After all, open debate is a key criterion for collective creativity.

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# Exploratory and applied art in implementing a regional development task

Tuire Ranta-Meyer

**Art impacts on communities, identities and societal structures through people. People meet each other, perceive phenomena in their environment, discuss their experiences and have a desire to express their individuality in many different ways. This article considers what the applied forms of artistic work developed at Helsinki Polytechnic Stadia could mean for developing and strengthening urban culture and community planning.**

The power of applied methods in art have been recognised around the world as one of today's most effective means of having a positive impact on the development of major cities. If people have the opportunity through artistic self-expression to find their own voice in society, they more easily adopt the role of active citizen in developing their own environment. For example, it has been found in England that art projects are practically the only means for preventing problems relating to multiculturalism. Likewise, the music phenomena in Venezuela—systematic teaching of music among young people living in slums—has been highlighted as a lifeline in reducing the polarisation in society. New types of breakthroughs are being created in Helsinki too in community planning focusing on users and in reforming the city's service structures, as the field of culture at Helsinki Polytech-

nic Stadia is involved as a developer of multidisciplinary innovations at a deeper level than just with individual pilot projects.

## **Multidisciplinary cooperation a resource in urban research**

Developing operating models for artistic work and solutions that support a sense of community create new interfaces and learning places for cooperation between the city management, polytechnics and universities. Creative artistic processes always involve an element of tolerating uncertainty, taking risks and a certain unexpectedness about the result. These, however, allow something important to be achieved. Community planning and the research supporting it create a genuine connection to the production of experiential information, and exploratory art can result in new development perspectives among university communities.

Research funding could also support more cooperation, innovative methods and challenging multidisciplinary experiments between universities and polytechnics. It will not be easy for traditional research institutes and university faculties to expand their networks if their modus operandi is only based on competitive research funding and if for this reason they consider the methods of exploratory art as risky experimentation. While education in Finnish art uni-

versities leans heavily towards individually focused artistic expression, the culture of polytechnics, on the other hand, represents the power of developing social innovations. Until now, municipal actors in the metropolitan area and cultural institutions have been good at exploiting the development potential offered by the polytechnics without any constraints. Operating concepts produced through artistic methods as cooperation between polytechnics and universities could, however, be researched, tested and assessed in a more diverse way.

## **Polytechnics focus on regional development**

The polytechnics in Finland are perceived as regional actors whose task has been defined in legislation as developing their own sphere of influence and its business life. The cultural field of study at Helsinki Polytechnic Stadia is the largest in the country: Degrees at Bachelor's and Master's level can be taken in music, media, film, theatre, performance technology and cultural production. How has the Polytechnic's cultural field of study perceived its regional development task specifically in Helsinki when, unlike the provincial polytechnics, it is located in the metropolitan area with several traditional universities, art universities and research institutes? What are the new preventive and unifying methodological innovations of community theatre, applied music education, social media and cultural production in regional development?

The aim of this article is on the one hand to propose that the regional development task be made more concrete within Helsinki Polytechnic Stadia's cultural field of study. On the other, it attempts to shed light on the interactive, social and idealistic mission that the developers of art education in polytechnics have had within the capital's individual context.

## **Art, functionality and community spirit are the basic principles**

The policies of Helsinki Polytechnic Stadia's cultural field of study are based on three factors that have been identified as being the most important. Firstly, from the perspective of art education in the entire country, it is not unimportant as to what degree the field of culture at Finland's largest and most attractive polytechnic succeeds in its educational duty and social effectiveness. Secondly, Helsinki Polytechnic Stadia has the only multidisciplinary unit in the fields of culture and art in the metropolitan area. It is therefore appropriate to invest, for example through projects and research, in making the most of the mutual synergy between the fields. No other organisation in Finland carries out this development work between these artistic fields. Since the country's largest fields of study in social services, health care and technology are also part of Helsinki Polytechnic Stadia, it is appropriate to pursue cooperation within the organisation, for example to construct operational concepts relating to well-being. Thirdly, the application of communal and interactive forms of theatre in various areas of life is a crucially important methodological innovation for the polytechnic, which makes it possible to have a deep impact on people's learning and social integration in multidisciplinary projects.

- Helsinki Polytechnic Stadia's role as a developer of urban culture has been summed up in the following strategy objectives of the cultural field of study:
- The processing subjects of research work and artistic work in the cultural field are the metropolitan area and its residents
- The subject matters of projects and theses are discussed and implemented together with actors in the Helsinki region
- Subjects tailored from themes on urban culture not only entertain but also activate and empower city residents

- Interaction with city residents is a natural part of the activities
- Projects in city districts involve residents and actors in experiential learning through artistic processes

An artistic outlook incorporating society and work in the districts has resulted in major art education and workshop activities for children as cooperation, for example, between Tapiola Sinfonietta, Helsinki City Theatre, Helsinki City Museum and the polytechnic's music degree programme. The regional development programme in applied music education, which has just got underway, aims to create more effective operating models in cultural work for the service structures of major cities.

The most established method of activating and bonding with the regional community at the polytechnic is within the sphere of theatrical work. The degree programme in performance art has, right from the start, created its own profile that clearly stands out from the traditional educational field in the theatre sector. In addition to theatre work, communal, applied and processing drama are the professional cornerstones of students graduating from the polytechnic. Theatre is seen not only as performing art but also as an open forum and as an instrument of social debate, influencing and studying.

The nature of applied theatre work, which is broader than the traditional concept, contains the ideology of carrying out a service: the inquisitiveness and ability to hear, listen and interact form the criteria for the competence of the artist alongside their artisticness and charisma. The driving forces of people and communities can be identified and named using the latest application methods of dramaturgy and theatre work: hope, fear, dreams and nightmares. The application areas of theatre work developed at the polytechnic enable a dialogue between society and humanity.

For example, the dramatic forums held with residents in Arabianranta, the area in which the polytechnic is located, have demonstrated that there is a need for this. High technology with its optical fibre cables, mobile services and ubiquitous time displays designed for bus stops does not guarantee meaningfulness in life or further the ability to understand the world or to work through setbacks in life that a person has experienced. When people move to new areas, and if the regional identity is fragmented, theatre and music have a huge potential to create genuine meeting places. Concrete stories, images, sounds or emotional states are imprinted vividly into people. With the aid of art, it is possible to make the experiences a significant part of the personal relationship with the neighbourhood.

### **The activities of the polytechnic in the culture of the Arabianranta district**

In applied theatre projects, it has been possible to transform the Arabianranta area through people's experiences into a village in which the residents know each other and each others' houses, blocks and routes. The experience of familiarity is significant, especially for children's and young people's sense of security. The district has been created quickly. For example, the teachers at the primary school have expressed the desire for theatre projects to deal with themes that in practice the school does not have time for, such as identity, forming groups, prejudice, inequality and self-respect. Activating and functional methods, however, are at the heart of the polytechnic: it has the skills to move, empower and create encounters between people.

Students of performance art, for example, cooperate in their studies every year with the comprehensive school, nursery school and factory museums in Arabianranta. The idea is for an open dramatic forum. Actors of different ages meet through art and the res-

idential area is considered from the perspective of history, work and people's daily lives.

The documentation and processing of children's experiences, values and stories through presentational means is particularly important. Once children and young people have come into contact with the area's history and once they have points of reference to places, events and people, they form a mental attachment to Arabianranta. This in turn creates a sense of unity and identity with the area: it is a kind of love for a person's home area – or a state of mind, a place of safety, the area's soul.

Students create new artistic trades and job descriptions as part of their studies. Public sector organisations, the branches of administration in cities, companies and the third sector have a continuous need for people who are able to create a sense of belonging to the community and people who can engender experiences as well as teachers of art with a therapeutic orientation. Genuine cooperation is possible, for example, between teachers, museum pedagogues, teachers of theatrical expression and music teachers. All of the above work takes place in practice at the grass-roots level, close to people, families and their daily lives. Therefore, the project participants share a common understanding and a sense of purpose in working together. As a result of the cooperation, a place is created for art education work and applied drama in many types of communities and projects promoting social integration.

As an urban environment, Arabianranta is an inspiring environment for everyone on degree programmes in the field of culture. It has historical layers, a narrative, modern design, environmental works of art and a unique, natural marine environment. The fact that the educational activities gave rise not only to new, networked skills at the level of higher education, but also to theatre productions, concerts, films, festivals and art events held in public can be considered as one form of the regional development task.

The local orientation in education in the field of culture can also be seen in the fact that the location environment has often inspired the performance activities. The garden of the idyllic wooden villa belonging to the polytechnic is turned into the Vanha-kaupunki Summer Theatre every summer by the polytechnic itself, which is visited by the public from the surrounding environment. For example, in summer 2008 the performances at the outdoor theatre will be produced on the basis of stories created by residents of Arabianranta. The villa environment of the summer theatre and the different rooms have sometimes been woven as scenes in the script: Chekhov's Cherry Orchard has been performed in the shade of the garden's apple trees, and the nearby forest has formed part of Shakespeare's A Midsummer Night's Dream. The theatre performances in themselves provide the area's residents with a model for opportunities of local orientation in art: performances can be in theatre halls, factories, the library, garages and bomb shelters.

### **Contentual and technical development of the local portal as multidisciplinary cooperation**

When designing digital environments, the user's perspective must be taken into account right from the start. Nowadays, even greater consideration has been simultaneously given to how important it is to build workable solutions and the technical implementation. Technology does not automatically produce a better perspective for residents and actors unless content focused on people is created in the process. The latest technical innovations in online media enable completely new types of activating communal ways of working. They also have a large potential in promoting the attractiveness of regions and perhaps even tourism.

For example, even in the early stage of constructing the residential area, a regional information ser-

vice model implemented as a local network was planned for Arabianranta. However, updating its content concept has encountered some major challenges. A key role has been created for the polytechnic's field of culture in designing, testing and implementing a more functional user interface. Students of network communication are able to take part in the development project for the local portal as part of their concept design studies. The cultural production student team interviews actors in the area and undertakes research on what type of experiential content is wanted on the portal alongside traditional information services and discussion forums. Theatre students put on narrative public workshops to gain information on the attitudes and daily life of the area's various actors. With the aid of the information compiled experientially, it is possible to activate the residents, associations, educational institutions and companies in Arabianranta to produce new content for the portal by themselves. As an entity, the polytechnic's multidisciplinary project produces the digital user environment for Arabianranta, which increases the attractiveness of the interface between art, cultural heritage, tourism, activities by residents and companies in the creative sector.

## **Challenges for the urban research programme**

The urban research programme in the Helsinki metropolitan area highlights new themes which it is hoped that researchers will address. The aim is to analyse residential preferences on whose city the town planning promotes, for which groups the city is produced or what is a tempting urban environment for, perhaps, foreign workers and students. Another aim is to generate additional understanding on what daily life is like in centres and suburban areas or how the city is talked about, how it is remembered and the types of forms urban living can take. Education in the field of culture at Helsinki Polytechnic Stadia in

### Information about the new Metropolia University of Applied Sciences

- The polytechnics in the Helsinki region are merging to form the new Metropolia University of Applied Sciences as of 1 August 2008.
- On the basis of its 14,000 students, four fields of education and 52 degree programmes, it will be Finland's second largest institute of higher education.
- Metropolia will have Finland's largest and most diverse education in the field of culture: nine BA and four MA level degree programmes from design to music and cultural production, from media to graphic design, film, television and radio journalism, from performance art to performance technology and from the clothing sector to conservation.
- As of 1 August 2008, a total of around 2,800 young people and adults will be studying on a degree programme in the field of culture.
- There will be around 150 permanent members of staff in the field of culture and approximately 220 part-time teachers.
- Most of the activities in the field of culture will be located at the Arabianranta campus in Helsinki.
- Arabianranta is a unique neighbourhood of old and new construction by the sea, which has become a concentration for companies in the creative sector in Helsinki, education in the field of culture and attractive residential homes.

Arabianranta creates skills for new workers in the creative sector. At the same time, applied methods in art and theatre have created research innovations that have produced information to the questions posed by the urban research programme for a decade. Exploratory art and the experiences highlighted through it are a new resource for town planning as well. Development and understanding do not always take place by taking the most obvious path or by

strengthening what already exists and is ready, but by providing opportunities for experiences, multi-disciplinary and creative projects. The only multi-disciplinary polytechnic in the metropolitan area that covers nearly all the fields of art and culture may have a central role in making this happen.

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# Helsinki, the centre of Finnish music industry: gateway to the world and from the world

Eeva-Katri Ahola & Katri Halonen

**Helsinki is in the middle of a rock music boom. This has been enabled by the efforts of a varied group of music industry professionals. This article focuses on the regional location and activities of the Helsinki-based music industry, with special emphasis on export and import of rock music.**

## Introduction

Bringing works with musical content to audiences takes place primarily by mechanising the work as a recording or performing it to an audience (e.g. Hallencreutz 2001, Pönni and Tuomola 2004; Halonen and Lassila 2000). There is a so-called intermediary level between the artist and the audience (Bourdieu 1984; Becker 1982) comprising the recording industry and concert promoters and managers. Furthermore, various educational and trade organisations supporting and developing products and services in the music industry operate at this intermediary level. The activities of the intermediary level are linked to the development of the attractiveness of the urban environment and the city (cf. Florida 2002). Therefore, the main argument of this article is that the various parties at the

intermediator level of the music industry form an active and geographically significant cluster in Helsinki.

The article is based on data from 170 music business enterprises found on the Internet, statistics on the regional distribution of music publishers from Statistics Finland, and an interview-based case study. Statistically, music business actors are difficult to perceive because many small enterprises work in several sub-industries simultaneously. The classifications do not readily distinguish between enterprises engaging in import or export activities. The regional distribution of export activities in Helsinki has been charted on the basis of the postcode information available on the rockdata website. Description of enterprises' activities and possible export operations found their websites has been used as another tool of analysis. Many of the independent record companies have expanded their activities from record production to distribution, agent services, publishing and management. The analysis was done in November 2007. The results were compared with existing material from Statistics Finland on the regional distribution of enterprises focused on publishing audio recordings in Helsinki in 2006. Information about import activities was obtained directly by interviewing five key actors in the field. In many cases, there was no readily available material or it was, for one reason or other,

not provided for this publication. In particular, ticket sales information was kept secret. The example data in the article is from a key music import company, Eastway, the operations of which are discussed below in the form of a case study.

### **The music business intermediary level in Helsinki – a large cluster of small actors**

Following the general trend in the field of culture, the music industry is heavily centred on the Helsinki metropolitan area and, in particular, Helsinki. In 2005, companies in the field of culture had over 16,000 establishments and almost half of the staff was located in the Helsinki metropolitan area. Almost two-thirds of the turnover in the field of culture was generated by businesses in the Helsinki metropolitan area (Kulttuuritilasto 2005.) On the basis of the analysis of the RockData database, there are three key geographical clusters in rock music: the Helsinki metropolitan area, Tampere and Turku. Record companies operating in these three areas make up 72% of all record companies in Finland. Of these, the cluster in the Helsinki metropolitan area is clearly the largest. In all 43% of all independent record companies were based in Helsinki and approximately half (48%) were based in the Helsinki metropolitan area (comprising the cities of Helsinki, Espoo and Vantaa). When compared to the ten-year-old survey by Oesch (1998, 9), the concentration of music business enterprises in Helsinki seems to have increased.

If all industries are taken into account, export activities in Finland are in the hands of enterprises with more than one thousand employees (Palm 2006, 66) but when it comes to the music industry, the export activities lean strongly in the operation of small enterprises. RockData's analysis revealed that the number of full-time employees in companies in the music industry is most often one to three persons. This was also true of companies which described their activi-



Studio for audio visual media studies at Helsinki City College of Technology (Heltech).  
Photo: Matias Kukkonen

ties as including, in addition to record production, various other subsectors in the music industry.

It is expected that export activities will increase manyfold by 2012. According to the Musex (2007) statistics from 2006, the value of exports is already 26.2 million euro. The development programme for cultural exportation sets the goal of raising the market value to 150 million euro per year by 2012 (Tuomi-Nikula 2007, 31)

### **The Golden Horn of music industry in Helsinki – the bustle of the city centre**

The geographical location of an enterprise affects its operational preconditions. Previous research, for example, has highlighted the geographical concentration of music industry enterprises as one of the keys to the success of the export of Swedish music (see Braunerhjelm and Helgesson 2003; Lundequist and Hallencreutz 2003; Hallencreutz 2002). In Sweden, the key music export cluster is in Stockholm comprising as many as 80% of the large enterprises in the industry. The share of Stockholm-based enterprises of the overall Swedish music exports is approximately

80%. Almost without exception, the enterprises are located in the centre of the city within a walking distance of each other. The actors in the industry feel a strong sense of communality, since "everyone knows everyone else": The mutual competition and co-operation between multinational and smaller enterprises seem to fit well together.

In Finland, enterprises at the intermediary level of the music industry are physically located rather close to each other. Nationally, they have congregated in the Helsinki metropolitan area. Concentration is strong also within the metropolitan area by district. The contact information of 74 Helsinki-based music industry businesses were garnered from the RockData website. The activities of the enterprises varied from providing studio services to production and distribution, programme production, promotion and organisation, publishing and managing. The key

clusters in Helsinki are to be found particularly in the city centre and around it in Lauttasaari, Ruoholahti and Hakaniemi within an area of only a few square kilometres.

The capital is Finland's key cluster of the so-called leading-edge enterprises of music exportation. In particular, national publishers of audio recordings have congregated in the metropolitan area: no fewer than three-quarters of the national turnover is created in the enterprises in the area (Kulttuuritilasto, 'Culture statistics' 2005. In 2005 the overall turnover of record publishing in Helsinki was 50 million euro (49.47). The turnover grew by 9% from the previous year (Statistics Finland, 2005, 2006). Concentration was also high when studied at the district level. In 2006, Helsinki-based record publishers were located by district as follows:

	Establishments		Staff adjusted to full time employment		Share of turnover
	Number	Per Cent	Working years	Per cent	Per cent
City centre (Punavuori, Kaivopuisto, Eira, Kruunuhaka)	57	35	76	33	34
Ruoholahti	17	10	22	10	9
Kallion region	23	14	28	12	9
Lauttasaari	8	5	34	15	24
elsewhere in Helsinki	59	36	70	30	24
Helsinki total	164	100	230	100	100

Source: Statistics Finland 2007, commissioned computer run of 2006 data on field of industry 22140: Publication of audio recordings.

Information gathered from the RockData website on the location of enterprises at the intermediary level of the music sector confirms the view arising from the data of Statistics Finland on the location of one group of actors at the intermediary level, the record publishers. From the data, it becomes evident that various actors at the intermediary level of the music business form a geographically compact "golden horn" of the music industry in Helsinki.

## Music exportation in Helsinki – a wide gateway to the world

The export activities of rock music are active and in the hands of various actors in Helsinki. The survey by Leikola and Leroux (2006) lists the 30 most important leading-edge enterprises in cultural exportation. Among them are five music industry enterprises, four of which – Spinefarm record company (incl. Children of Bodom), King Foo Entertainment management and programme agency, Ondine record company (incl. Karita Mattila and Kaija Saariaho), and Fennic

Gehrman music publishing company – are located in the centre of Helsinki, while one of them (Sony BGM record company representing, for example, Lordi) is located in Espoo. In addition, the survey lists 15 other key enterprises in music exportation, which had been omitted from the survey because of data acquisition difficulties. Of these, 11 are located in Helsinki and one in the neighbouring municipality of Vantaa. The classification by Statistics Finland does not distinguish enterprises and actors engaged in export activities. However, on the basis of the analysis of the information provided by RockData, it can be noted that export activities' extent and presumed significance to the enterprises' turnover varies greatly. Helsinki with its diverse group of contributors was also the home of leading-edge enterprises in music exportation.

One important party supporting the intermediary level is education in the field. Vocational further education and training tailored to meet the needs of music exportation is strongly concentrated in Helsinki. The field of Helsinki-based educators includes, in particular, the Helsinki Metropolia University of Applied Sciences, Musex and the Sibelius Academy Continuing Education centre. The key music copyright organisations (incl. Teosto and GRAMEX), music industry communications and export organisations (incl. Musex, FIMIC) and the industry organisations (incl. the Finnish Musicians' Union, IFPI Finland, ELVIS and the Finnish Music Publishers Association) are located close to each other and the city centre. These support services consolidate Helsinki's role as the music industry's national gateway to the world.

### **Music imports in Helsinki – from the backroom of Europe to a lively crossroads**

By looking at the activities of the leading-edge export enterprises, it becomes evident that the enterprises exporting Finnish music do not play a key role im-

porters of foreign music. This is surprising because it might be assumed that international networks would benefit both music export and import activities. However, the debate and research on cultural policies touching on the music industry has focused on export activities (Koivunen 2004; Tuomi-Nikula 2007; Musex 2007). Yet the import activities of performances are a significant part of the music industry when looked at, for example, from the perspectives of entrepreneurship, tax revenue and varied experiences to be offered to consumers (Ahola 2007). Therefore, it is surprising that there has been very little research done into performance importation activities. One of the key import enterprises is Eastway, which every year produces approximately 1,500 different events of various sizes by utilising its Europe-wide subcontractor and co-operation networks.

Eastway, founded in 1986, is Finland's leading provider of technical solutions to public and enterprise events and it has grown to be the market leader in its field. Through acquisitions, Eastway has extended its operations from lighting and sound design to ticket sales (Menolippu Oy), show producer and agency activities (Dex-Viihde Oy, Melodia Oy and Taurus Music), event production (Popzoo Promotions), record company business (Allstart Music) and in the spring 2008 to event marketing (Promotion Factory). With its most recent acquisition, the turnover of the enterprise is expected to increase to 30 million euro, when its turnover last year was 19 million euro (Eastway website; Talouselämä 14 March 2008). Instead of investing in unofficial networks, Eastway has built its activities through acquisitions and thus expanded its service portfolio by constructing a cluster within the corporation.

Traditionally, Helsinki's geographical location has been problematic with respect to the importation of rock music. The majority of live rock music importation to Finland comes from the Western Europe or the United States. From the vantage point of Western Europe, Helsinki was located beyond the sea without a

connection to other key touring cities in the rock circuit. However, in the last few years the situation has changed. The development director of Eastway, Tomi Lindblom, sees St Petersburg and the Baltic States as the central new concert areas which music importation from the West has changed significantly in the last ten years. This has been significantly influenced by Finland's changed status in the tour routes of bands. "If earlier Finland was the last backroom, now it is on the way. It is beneficial for bands to stop in Finland and do one gig on their way to more lucrative gigs in St Petersburg or the Baltic States. This is why we now have more concerts than before." (Lindblom 2008, in interview). Therefore, the status of Helsinki in the world map of rock music has changed in recent years and the margins of rock music markets have moved away from Finland.

### **Importing live music – a tightrope walk between increased competition and rising costs**

Significant changes have occurred in the marketing of live music importation in recent years. The number of concert promoters has increased significantly and this has increased competition in the field. The supply of artists to Helsinki has increased in the wake of growing Eastern European live music markets. In addition, prices of services have risen because artists' fees have grown. This development inevitably affects ticket prices. "And while competition has increased and artists' fees have grown, there has been pressure to hike up ticket prices. Artists' fees have increased up to four-fold in, say, five years." (Lindblom 2008, in interview). However, artists' fees and other production expenditure and the ticket prices which go hand in hand, can only grow within the limits of demand. Finland continues to be a small market area, in which concert promoters have to carefully calculate the

risks involved. Attracting artists may no longer be the main problem but proportioning the fee level to the cost structure and purchasing power of a reasonably small market has developed into the main challenge.

### **Conclusion**

In this article, we have described the geographical location and activities of the intermediary level rock music actors based in Helsinki. On the basis of the above discussion it can be said that the Helsinki-based intermediary level forms a large and dense cluster of small actors. Geographically speaking, the intermediary level of music exportation is located in the city centre as a kind of geographical "golden horn" of the music industry. When it comes to music exportation, Helsinki is a rather wide gateway to the world. There is a diverse network of support service providers for export enterprises in Helsinki, which comprises organisations supporting exportation activities, copyright and trade organisations and bodies providing education in the field.

When it comes to music importation activities, the status of Helsinki has changed in recent years, since Helsinki has turned into a lively bridgehead for the Russian and Baltic markets, in particular. Moreover, today a large number of famous artists visit Helsinki. Music exportation and importation enterprises have formed their own distinct camps in that the activities are in the hands of different enterprises. Music exportation has recently been in the limelight of media and public decision-making. At the same time, music importation and live music importation, in particular, have received less attention while getting blended in with other concert activities being sidelined in research into music exportation. Enterprises functioning in the intermediary position and building importation activities have an important role to play in constructing and enriching the rock circuit in Helsinki.

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# Seminar news

## Towards a regional housing policy

**Ari Niska**

**On 13 March 2008 Mr. Jan Vapaavuori, the Finnish Minister of Housing, opened a seminar on housing challenges in the Helsinki Region, which has now been held for the second time by the Helsinki City Economic and Planning Centre and the Helsinki City of Urban Facts Centre, with an audience of mainly city planners and officials on the premises of the City Planning Department.**

### **Present housing problems in the region**

Mr. Vapaavuori pointed out the well-known fact that housing is expensive in Helsinki. High prices in certain inner city districts are not a problem as such – they come with being a metropolis – but a structural shortage of affordable housing is definitely a problem. There are simply just too few dwellings, and they are poorly located. In sum, there is too little housing to meet the needs of too many people. Vapaavuori also noted that dwellings consume too much energy and that not enough funds are earmarked for the housing of those whose resources are insufficient for success in a market economy.

### **Factors behind the housing problems**

Mr. Vapaavuori saw many clear factors behind this situation. For one thing, the speed of urbanisation has been underestimated for far too long. People still move more than expected to urban growth centres.

For another thing, the heterogeneous municipal structure of the Helsinki Region has led to a situation where the smaller municipalities with smaller resources compete against each other. With municipalities concentrating too much on their finances, too little attention has been paid to the coherence of the urban structure. An example of this is the rail side housing areas located far from people's jobs.

Furthermore, in housing development there has been a lack of regional viewpoint.

Lastly it has been poorly understood, how a rising standard of living changes people's housing habits. The way Vapaavuori sees it there is reason to assume that roughly one percent of annual GNP growth is channelled into improved housing. From another angle, the mere fact that people want to live in larger homes creates a need for 3,000 additional new dwellings a year to the 300,000 dwellings already in Helsinki.

## Intervention in the housing problems

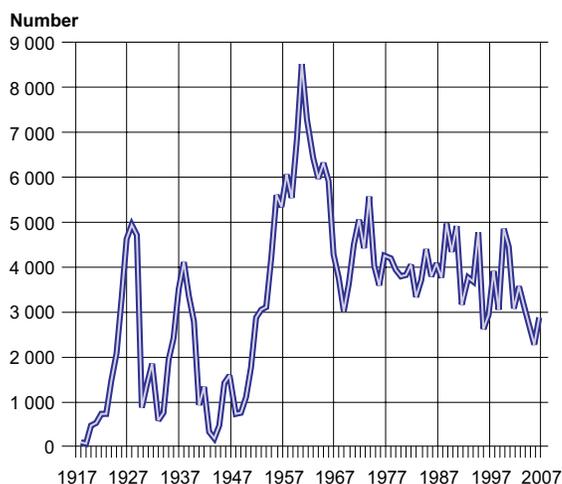
Thus, extensive construction of new housing is needed. In addition, we should be able to build sustainable housing that will appeal to people a hundred years from now. Such construction would also take energy efficiency into account. Mr. Vapaavuori also conjectured that, in future, people may increasingly prefer good urban housing rather than today's common dream of a house of your own by a lake or the waterfront.

According to Vapaavuori, the public sector can best help the problems of housing by focusing on and investing in city planning. More planned grounds are needed. More interest in housing is also needed – especially rented housing. Despite problems today, Vapaavuori felt confident about the future of housing construction. He felt that when today's boom in the construction of business premises levels out, capacity will be released for housing construction as well.

At present, the State is particularly committed to developing the housing sector. In the policy agreement signed last January by the State and the municipalities of the Helsinki Region, the municipalities promised to build a total of 13,000 new dwellings a year. This time the agreement, the MAL-aiesopimus, was signed by all the municipalities of the region, unlike in 2000, when some of them rejected the proposal of Minister Suvi-Anne Siimes' work group. Now the municipalities have also agreed to set the proportion of state-subsidised housing at 20% in future. Vapaavuori felt this was a step in the right direction, but still not sufficient.

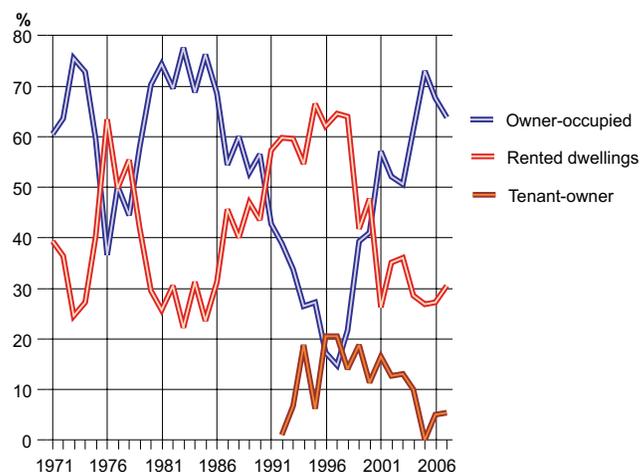
In February 2008, the National Government approved an action programme for housing policy, one focus of which was to increase housing production in the Helsinki Region. At the moment, the ministry is preparing a new model for a real estate fund, the idea of which is to raise investors' interest in the construction of rented housing.

## Dwellings completed annually in Helsinki 1918–2007



Source: *Majja Vihavainen, the Challenges of Housing in the Helsinki Region seminar, Thursday 13th March 2008*

## Housing production in Helsinki by tenure status in 1971–2007, %



Source: *Majja Vihavainen, the Challenges of Housing in the Helsinki Region seminar, Thursday 13th March 2008*

Housing Minister Vapaavuori now calls for particularly vigorous engagement on the part of the municipalities. He sees the master planning and cooperation between the four municipalities of the Helsinki Metropolitan Area (the core of the Helsinki Region) as a promising start, but the mere combining of plans does not yet guarantee that a pan-regional approach will be adopted. He concluded by expressing the wish that the cooperation in planning between the four municipalities would deepen into a common regional housing policy, without a need for growing the state's role in city planning.

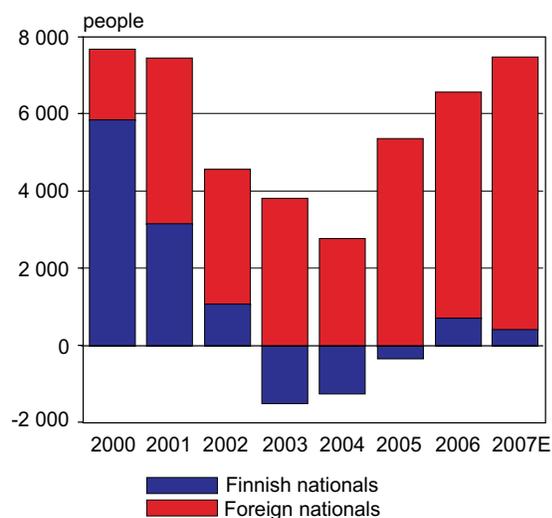
## New features in building construction

Mrs. Maija Vihavainen, a Researcher at the Helsinki City Urban of Facts Centre said in her presentation that the State subsidies had played an important role for housing in the region. A majority of the 58,000 dwellings built or commissioned since 1955 by the Helsinki City Housing Production Department have been built with partial state funding (Housing in Helsinki...). At the moment, the production of state-subsidised dwellings is lower than ever, just one-fourth – as compared with the early 1990s, when almost all housing production relied on state-subsidised housing loans.

According to Vihavainen, a growing proportion of state-subsidised housing is built for special groups, primarily students and the elderly. Another new feature that she highlighted is that more and more new dwellings are, in fact, old premises converted for housing. In 2007, such conversions accounted for a record high of 15% of new dwellings.

Vihavainen also mentioned that the construction of premises has been more vigorous than ever. At year-end 2007, over 500,000 square metres of premises were being built, which was more than ever before and five times as much as two years earlier.

## Net migration by nationality in the Helsinki Region



Source: Seppo Laakso, *the Challenges of Housing in the Helsinki Region seminar, Thursday 13th March 2008*

## New features in housing market

According to Researcher-Consultant Seppo Laakso, housing production in the Helsinki Region may increase from today's 8,000 dwellings a year to 13,000 dwellings a year, since some major building projects are being planned. Another reason is that the region has no real crisis sector and the prospects for business and construction are bright.

Today, however, too little is being built to meet current demand. The doubling in prices and a 1.5-fold rent increase compared with the rest of the country are already reducing work-oriented migration to the region. The migration surplus seen in the Helsinki Region in recent years has consisted almost totally of foreign immigrants.

Laakso agreed with Minister Vapaavuori that the worst bottle-neck of housing production today is the availability of planned construction ground, particularly for privately-owned properties. By Laakso's reckoning, construction was started on less than 10% of planned ground in 2005–2007.

Also, construction companies avoid risks and only choose projects that sell well. Laakso illustrates the tepid interest in housing construction among investors and house-builders with the finding that between 2000 and 2007, the aggregate turnover for business construction in the region grew by 55% whilst at the same time housing construction decreased by 20%.

Laakso's solution to the shortage of construction ground would be to raise the real estate tax on insufficiently exploited ground to 3%, both in the Helsinki Region and other growth areas. To accelerate construction, Laakso calls for new practices and means of collaboration between the public and the private sectors, especially when it comes to building subsidised rented housing.

The way Laakso sees it, faster planning is not the way to speed up housing construction. There will be complaints in the future, too, because in a democratic society, all those whom the plans concern have to have the right to an opinion. In future, the complexity of planning will increase due to the interdependence of land use, traffic solutions and infill construction. Large areas cannot and should not be planned rapidly. Instead, quality and use of resources should be emphasised.

## **Need for the regional housing policy**

The kind of strong increase in housing production that has been planned would, according to real estate allocation official Tuomas Kivelä, require that the municipalities of the region merge and district administrations be set up instead. Then big common issues such as planning and policy regarding land use, housing, traffic and waste management could be handled by the regional authorities and matters closer to the inhabitants by the district authorities.

According to Markku Lahti, Master Plan Manager of the Helsinki City Planning Office, the population and productivity in the Helsinki Region has grown

quickly in recent years, and this growth is likely to continue. A greater increase in housing production will perhaps be the most important challenge to the ecological efficiency of the housing environment. To be able to meet the criteria of eco-efficiency set by the Kyoto Agreement, problems have to be solved regionally and in cooperation with the state, Lahti says.

Tanja Sippola-Alho, City Secretary, noted that one of the most important regional challenges for local cooperation is the fact that cooperative structures and activities partly overlap and thereby become a burden to small municipalities, in particular. And as of now, common practices for solving conflicts hardly exist.

## **Housing preferences at home and beyond**

Anneli Juntto, a Professor of housing at the University of Kuopio said that in our time, change is ever present, and yet housing does not change enough. The population accumulates in growth centres, and housing prices rise. At the same time, housing production falls and housing space per capita grows very slowly.

According to a survey in 2005 on housing and other assets (Juntto 2007), the percentage of residents who lived in the dwelling of their preference was 50% in Finland as a whole and 33% in the Helsinki Metropolitan Area. 35–44 year olds in both the country and the capital thought the dwelling of their preference should be around 30 square metres larger. The average size of the dwellings of this age group then was 67m<sup>2</sup> in Helsinki and 102m<sup>2</sup> in the country as a whole.

Mrs. Juntto finds it of interest to see in future how the equation between housing prices and distance will be solved. What happens if rising energy and subsequent travel costs make it expensive to commute?

Juntto quoted Pekka Myrskylä's fresh findings (Myrskylä 2008), according to which only one in ten commuted to work in 1960, as compared with over

one-third of the work force in 2005. In Kauniainen, the commuting percentage is 75. Juntto estimated that some are prepared to travel farther to get cheaper additional housing space and – importantly – to have a greater say in their environment, which is not possible today in blocks of flats built on the developer's terms. Unless blocks of flats, urban housing and urban detached and terraced housing are improved, demand will focus too one-sidedly on suburban terraced and detached houses, Juntto concludes.

From a long-term perspective, the popularity of detached or terraced housing seems to have started to fall. In a survey on people's preferred choice of affordable housing in 1972, over half of respondents wanted to live in a detached or terraced house. In 2005, such housing was the number one alternative for only 20 per cent of respondents in Helsinki.

Housing preferences are also differentiated by foreign immigrants, the number of whom would appear to be on the increase in the future, as well. Projections suggest that by 2025, the number of residents with a foreign background will have reached 100,000 in the Helsinki Metropolitan Area and 50,000 in Helsinki. Immigrant families are often big, and their dream is often a bigger flat instead of a detached or terraced house, as researchers Katja Vilkkama of Helsinki University and Tuula Joronen of the Helsinki City of Urban Facts Centre noted.

According to Aleksi Neuvonen, a researcher for Demos Helsinki, housing will contain a stronger ecological element and a growing need to influence one's own living environment "beyond one's glazed bal-

cony". Neuvonen feels that the focus on the individual seen in the 1990s and 2000s will give way to a new sense of community, in to which various real or virtual forms of individuality will be accepted. The challenges for city planning in future include how to make people engage in city planning, how to build child-friendly neighbourhoods, or how to promote the evolution of a low-carbon society. This change cannot come from just one direction, and it requires many kinds of new social and technological innovations, Neuvonen concluded.

Emerald, the winning entry of the Greater Helsinki Vision 2050 award in 2007, is a tentative response to the future challenges of housing. At WSP Finland Oy Ltd, architect Juha Eskolin and his work group developed a vision of a dense future city along Helsinki's waterfront, a city that has the capacity to create new centres joined by a rail network. As Jukka Kulberg, head of Vantaa City Planning Office, noted, the planning contest will have to be followed by political work to determine which options should be developed further.

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## Colourful document of the Eurovision Song Contest in Helsinki 2007

As a warm-up for future song contests and as souvenir for those who joined the event in 2007, Helsinki City Urban Facts now offers a colourful document of the song contest in Helsinki in spring 2007.

The Eurovision Song Contest has been a fixture of springtime Europe since 1956. Finland first participated in the 1961 event held in Cannes, France. In 2006, Finland unconventionally sent the monster metal band Lordi to summery Greece and, to the surprise of many, won the contest. Finland and Helsinki had earned the honour of organising the 2007 spec-

tacle after 45 years of waiting! The Helsinki event was the 52nd annual competition.

Weak success in song contest after song contest has been something of a trauma to many Finns, and some doubted whether Helsinki and the Finnish Broadcasting Company YLE would be able to organise the event successfully. Helsinki decided to show how a top mega event can really be organised. The present book is another expression of the enthusiasm that characterised the organisation of the event – earlier European Song Contests have not been captured scientifically this way.

The book is about what Helsinki residents thought about the contest, how cooperation succeeded during the organisation of events, how the event affected

the city's other musical offerings, and how it influenced the area economically, primarily in terms of tourism. The publicity received by the Helsinki Eurovision Song Contest was studied at its broadest in 27 countries. Researchers spent time at Hartwall Arena, meeting contest visitors and recording their impressions. Earlier Eurovision songs and performers throughout the years were also studied. The Ourvision Song Contest 2007, organised by the Cultural Centre Caisa and intended for immigrants, was a fascinating alternative event to Eurovision.

The book is published partly in English.

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Source:

Täydet pisteet – Twelve Point  
Eurovision laulukilpailut Helsingissä 2007  
Eurovision Song Contest Helsinki 2007  
Helsinki City Urban Facts 2008. 148 p.

## The Finnish Competition State and entrepreneurial policies in the Helsinki Region

A recent thesis on the "Finnish Competition State and Entrepreneurial Policies in the Helsinki Region" examines the intensification and characteristics of a policy that emphasises economic competitiveness in Finland during the 1990s and early 2000s. This accentuation of economic objectives is studied at the level of national policy-making as well as at the regional level through the policies and strategies of cities and three universities in the Helsinki Region. By combining the analysis of state policies, urban strategies and university activities, the study illustrates the pervasiveness of the objective of economic competitiveness and growth across these levels and sheds light on the features and contradictions of these policies on a broad scale. The thesis is composed of five research articles and a summary article.

At the level of national policies, the central focus of the thesis is on the growing role of science and technology policy as a state means to promote structural economic change and its transformation towards a broader, yet ambivalent concept of innovation policy. This shift brings forward a tension between an increasing emphasis on economic aspects – innovations and competitiveness – as well as the expanding scope of issues across a wide range of policy sectors that are being subsumed under this market- and economy oriented framework. Relating to science and technology policy, attention is paid to adjustments in university policy in which there has been increasing pressure for efficiency, rationalisation and commercialisation of academic activities. Furthermore, political efforts to build an information society through the application of information and communication technologies are analysed with particular attention to the balance between economic and social objectives. Finally, changes in state regional policy

priorities and the tendency towards competitiveness are addressed.

At the regional level, the focus of the thesis is on the policies of the cities in Finland's capital region as well as strategies of three universities operating in the region, namely the University of Helsinki, Helsinki University of technology and Helsinki School of Economics. As regards the urban level, the main focus is on the changes and characteristics of the urban economic development policy of the City of Helsinki. With respect to the universities, the thesis examines their attempts to commercialise research and thus bring academic research closer to economic interests, and pays particular attention to the contradictions of commercialisation. Related to the universities, the activities of three intermediary organisations that the universities have established in order to increase cooperation with industry are analysed. These organisations are the Helsinki Science Park, Otaniemi International Innovation Centre and LTT Research Ltd.

The summary article provides a synthesis of the material presented in the five original articles and relates the results of the articles to a broader discussion concerning the emergence of competition states and entrepreneurial cities and regions. The main points of reference are Bob Jessop's and Neil Brenner's theses on state and urban-regional restructuring. The empirical results and considerations from Finland and the Helsinki region are used to comment on, specify and criticise specific parts of the two theses.

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Source:

Antti Pelkonen:  
The Finnish Competition State and Entrepreneurial Policies in the Helsinki Region. Research Reports No. 254,  
Department of Sociology, University of Helsinki, 2008.

## Jobs and premises in the cultural sector in Helsinki

The only metropolitan region of Finland, the Helsinki Region is a national centre of trade, logistics, finance, business services, specialised services and the information industry. Arts and culture, too, are strongly accumulated in Helsinki and its immediate surroundings, the Helsinki Metropolitan Area. Of all business premises in the private arts and culture sector in Finland, 29 per cent lie in Helsinki and 37 per cent in the HMA.

These jobs include only companies, thus excluding those of the public arts and culture sector (state and city).

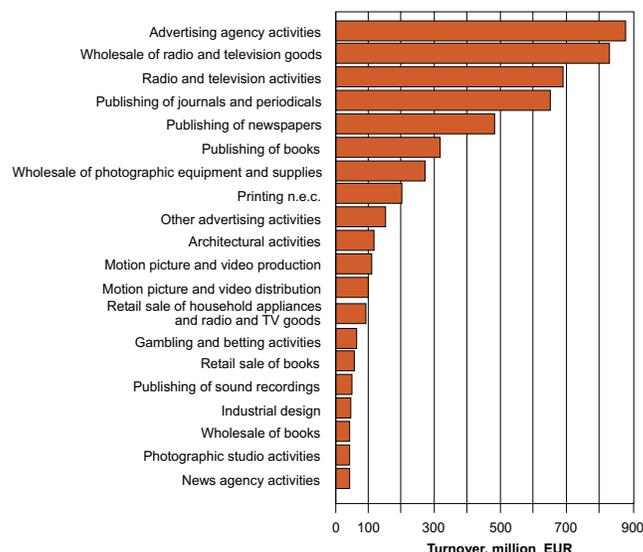
In 2006, there were 4,918 cultural sector business premises in Helsinki, with a total of 23,993 staff. The aggregate turnover of cultural industries in Helsinki amounted to €5.6 billion. And whereas Helsinki accounted for 18 per cent of aggregate corporate turnover in Finland, it accounted for 41 per cent of aggregate corporate arts and culture turnover – as well as 37,5 of national arts&culture staff and 29 per cent of national arts&culture business premises.

The same year, corporate arts&culture turnover accounted for 9.2 per cent of aggregate business premise turnover in Helsinki. This compares with a corresponding figure of 4 per cent in Finland as a whole.

In 2006, there were 6,330 cultural sector business premises in the Helsinki Metropolitan Area (Helsinki, Espoo, Kauniainen and Vantaa), with a total of 29,333 staff. The aggregate turnover of cultural industries in the Helsinki Metropolitan Area amounted to €8.6 billion. That year, the Helsinki Metropolitan Area accounted for 62.2 per cent of national cultural sector turnover, 45.8 per cent of national cultural sector staff and 37 per cent of national cultural sector premises.

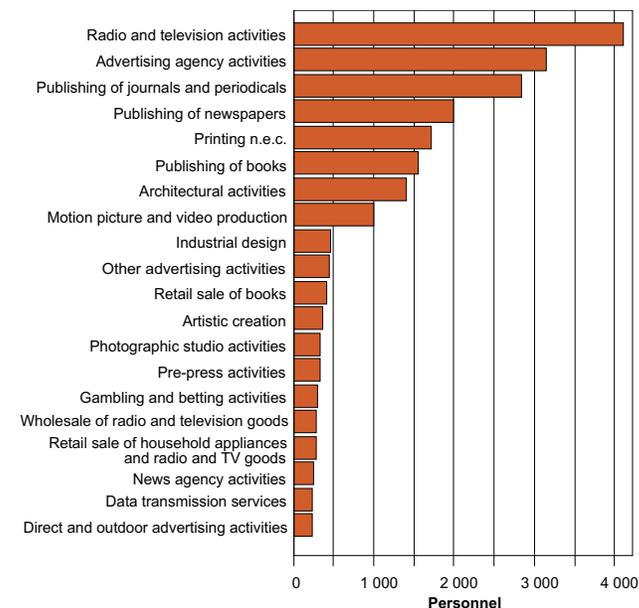
*Mr Timo Äikäs MSc (pol), Researcher:*

## Top twenty cultural industries in terms of turnover in Helsinki 2006



Sources: Statistics Finland and City of Helsinki Urban Facts

## Top twenty cultural industries in terms of personnel in Helsinki 2006



Sources: Statistics Finland and City of Helsinki Urban Facts

## Politics of knowing. Experiential knowledge in City Governance

The present study examines citizen participation in local government and municipal democracy. Previous research has shown that the prerequisite for active citizenship lies in the opportunities available for local residents to determine which perspectives and planning needs are relevant. This research looks at whether the conception of knowledge employed in municipal planning allows for this kind of active role for local citizens.

Methodologically the study employs an hermeneutic approach. The aim has been to identify various approaches steering the practice of municipal democracy. The theory behind the study comes from the assumption of the intersubjectivity of reality. Construing the rationality of one's own behaviour is seen as a prerequisite for meaningful action. In this context, criteria for the functionality of municipal democracy and the purpose of strengthening citizen participation are defined.

The study is divided into two parts. Firstly, the purpose of participation and the opportunities for local residents to contribute is examined theoretically with reference to previous studies. The intention is to provide an overview of the Finnish cross-disciplinary debate on resident participation. This debate is reflected onto the prevailing views on changes in the municipal operating environment and modes of operation. In conclusion, a theoretical model is constructed to explain how the various modes of operation in regional municipalities affect the purpose of residents participation and the utilisation of information received through this participation.

The second part of the study discusses the utilisation of this information and knowledge acquired through the participation of local residents and all those involved in political and administrative processes in municipalities. These first-hand reports are analysed using the model constructed earlier in the study. The goal is to understand how political and administrative practice affects opportunities for local residents to participate and contribute. The core of this analysis is based the pragmatic conception of knowledge employed in municipal administration.

The study argues that the normal practice of municipal administration does not support the systematic utilisation of local residents' experience. This is caused by two interlinked factors: firstly, knowledge constructed through these practices requires that the knowledge is apolitical; secondly, arising from this there is confusion with regard to when during a planning process does information obtained from the public become relevant; in other words, what are the politics of knowledge? The study suggests that the solution is in the complementary concept of knowledge, which implicitly acknowledges the politics of knowledge. The complementary concept of knowledge would serve the politicisation of issues on the level of interpretations linked with social reality, an indispensable requirement for functional democracy.

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Source:

Pia Bäcklund:  
Tietämisen politiikka. Kokemuksellinen tieto kunnan hallinassa. Helsingin kaupungin tietokeskus 2007.

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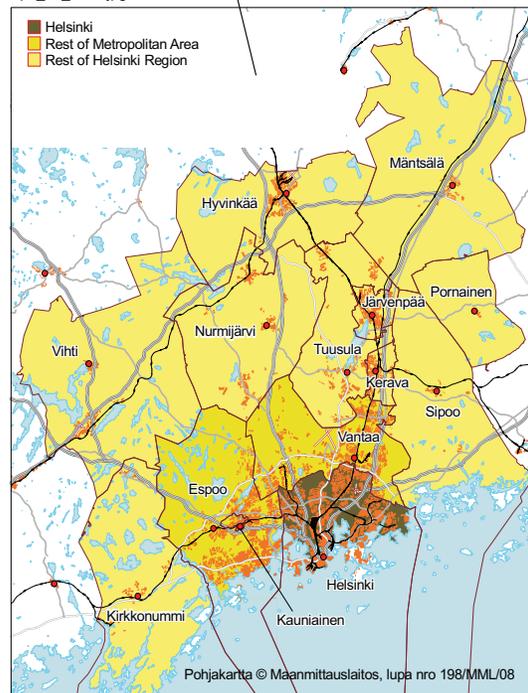
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# Helsinki and the Helsinki Region

## Key figures and some international comparisons



Source: [http://www.lib.utexas.edu/maps/europe/europe\\_ref\\_2003.jpg](http://www.lib.utexas.edu/maps/europe/europe_ref_2003.jpg)



### Population of the Helsinki Region on 1 January 2008

Total population 1,303,579  
Share of Finland, % 24.6

### Population structure, share of total population, %

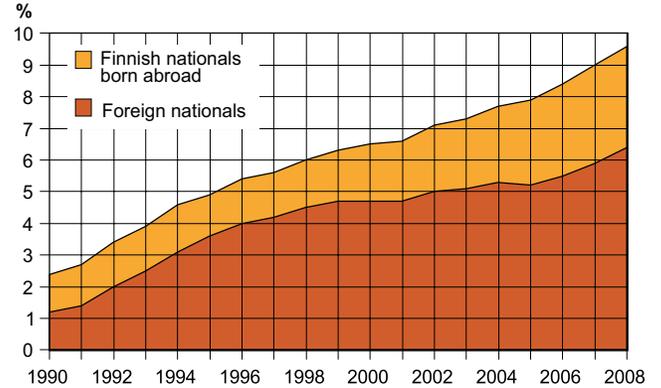
Age groups  
0–14 17.3  
15–64 70.3  
65 + 12.4

Finnish-speaking 86.9  
Swedish-speaking 6.2  
Other languages 6.9

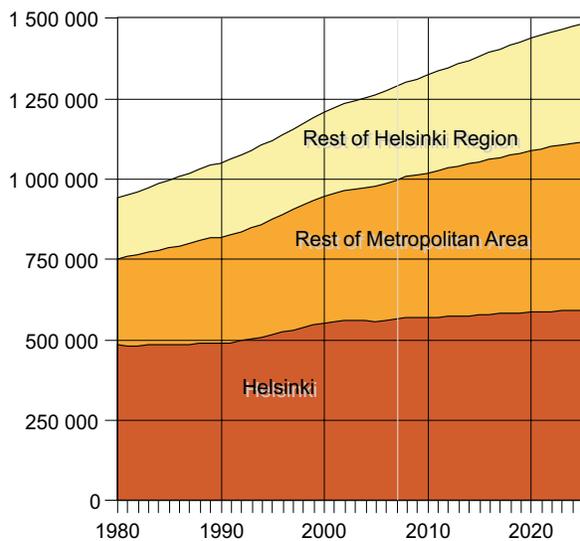
### Educational structure on 31.12.2006

University degree and other tertiary level 34.1

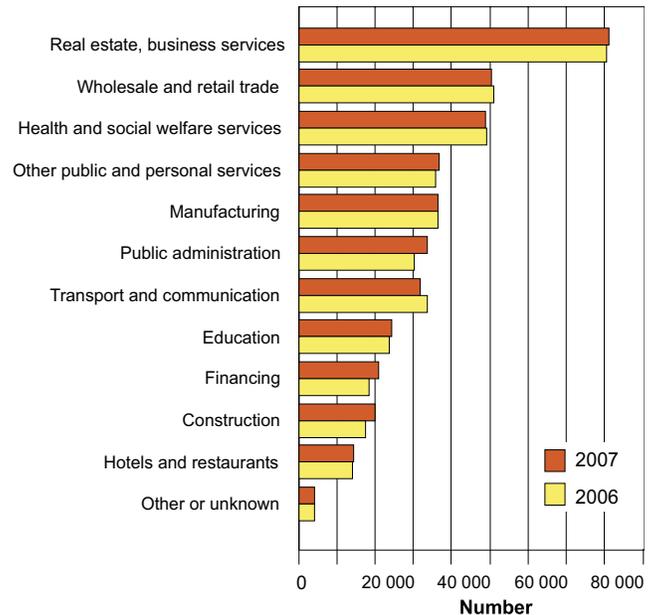
### Population with a foreign background in Helsinki



### Population of the Helsinki Region in 1980–2007 and projection for 2025



### Jobs by industry in the Helsinki Region 2006 and 2007

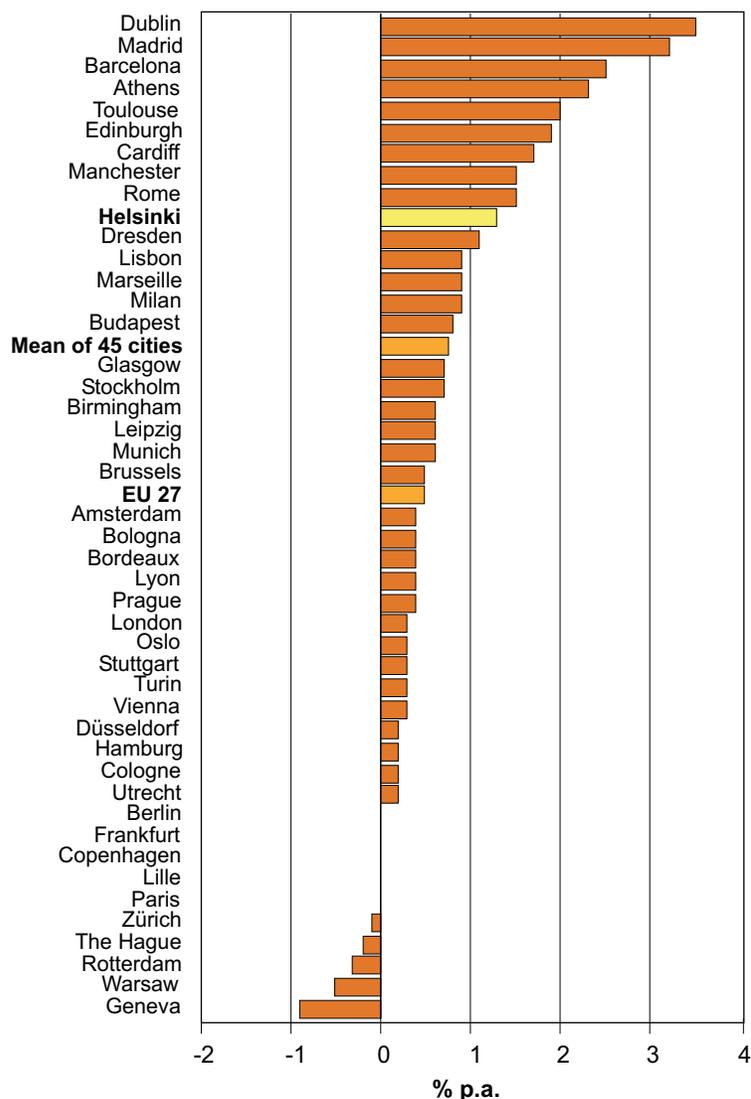


## The Economic Map of Urban Europe

Besides being large centres of population, European metropolises are also major centres of economic activity. Indeed, they are the motors of Europe's economic growth, providing benefits of agglomeration for business and attracting the most dynamic companies and fastest growing industries. GDP figures are higher than in the EU as a whole and higher than their national average. Europe's urban economies are becoming service economies and the service branches are the most important sources of employment in European cities.

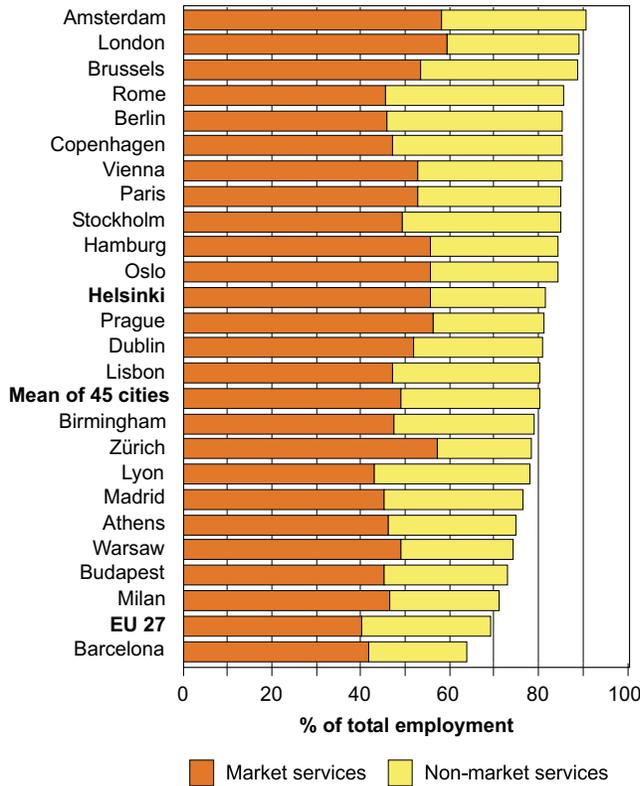
The study on the economic map of urban Europe is based on empirical research in 29 countries (all 27 EU countries, Norway and Switzerland) carried out by Cambridge Econometrics Ltd in collaboration with a wide network of European research institutes. The Finnish partner in the network is Kaupunkitutkimus TA Oy (Urban Research TA Ltd). The set of metropolises comprises 45 urban areas.

## Employment growth (% p.a.) of the 45 metropolises (2001–2005)

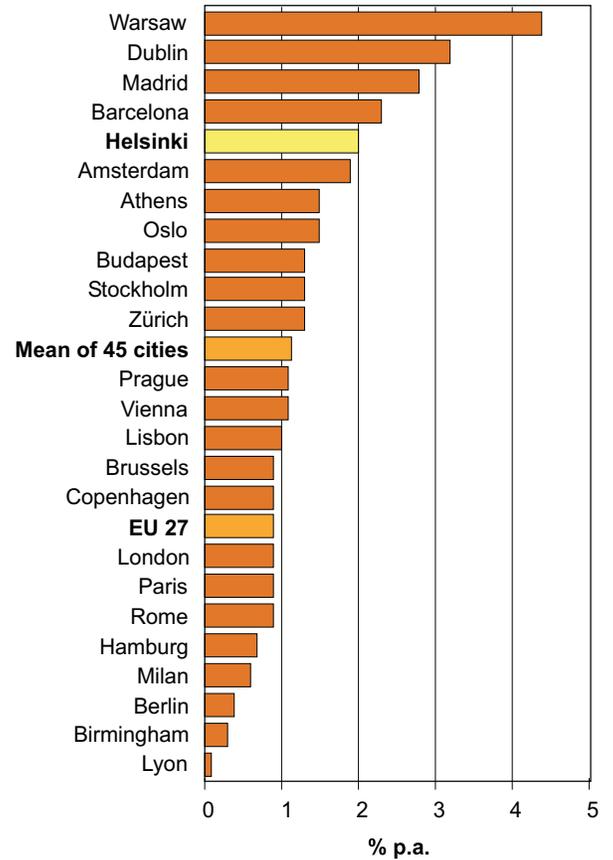


This study is available at: <http://www.hel2.fi/tietokeskus/julkaisut/tilastojulkaisut.html>

**The share of employment in the service sector (market services and non-market services) in selected metropolises (capital cities plus the next largest city of each big country) (2006)**



**The forecast for employment growth (% p.a.) in metropolises (2006–2011)**





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