

# Priority areas for Helsinki's economic development 2018–2021



Helsinki





## Internationally attractive Helsinki

We strengthen Helsinki's international attractiveness and advance the export of Helsinki know-how to the world. During the strategy period, the tourism to the city grows sustainably and foreign investments generate new job opportunities.

## City of a skilled labour force

We meet the skill needs of the changing labour market of the future, make Helsinki an attractive place for the world's leading experts and improve citizens' labour market skills. During the strategy period, education leads to employment in Helsinki and work-related immigration enables growth of Helsinki-based companies.

## Platform for new and growing business activities

By 2025, we develop Helsinki into Europe's leading platform for experimentation and innovative entrepreneurship. During the strategy period, testbeds are established as the city's way of working with enterprises and other organisations that develop new solutions.

**Contents include e.g.**

- Innovation ecosystems, universities and campuses
- Testbeds
- Startup ecosystem
- Growth investments
- Major events
- Sustainable tourism

**Contents include e.g.**

- Business-friendliness
- Commercial districts
- City services for companies
- Business advisory and startup services
- Employment policy
- Labour market matching

**Enabling growth**

**Development of the business environment**

**Helsinki's long-term economic development policy**

**Three priority areas for Helsinki's economic development 2018–2021**

**Internationally attractive Helsinki**

**City of a skilled labour force**

**Platform for new and growing business**

**A functional city**

**Contents include e.g.**

- Customer service • Pre-school education and schools • Culture and sports
- Accessibility • Infrastructure and environment • Safety • Location of businesses
- Housing • Immigration • Public procurements • Design+Digitalization+Dialogue





# A functional City is the foundation of Helsinki's economic vitality

The most important prerequisite for the economic vitality of Helsinki is a functional city. High-quality services, cleanliness, accessibility, safety, liveliness, equality and other things that improve the quality of life for the citizens form the foundation for competitiveness. Each division of the City of Helsinki and every employee affects the City's vitality through their own daily work.

In its long-term economic development, Helsinki utilises the possibilities and strengths of a functional City. The City's permanent task is to develop Helsinki's general business environment, further the people of Helsinki's chances of finding employment and enable sustainable, knowledge-based economic growth.

The three priority areas for the economic development have been derived from the City Strategy and the entire City works together to achieve them. The priority areas are chosen on the basis of Helsinki's strengths, weaknesses and the development in the world around us. The priority areas are valid through the strategy period and they can be altered, if needed.

## **The entire City's joint task**

Long-term economic development policy is effective when the entire City organisation carries the responsibility for increasing Helsinki's competitiveness.

In the future, the City makes use of increasingly diverse ways of producing services and carrying out procurements. Helsinki makes bigger, more ambitious and more effective initiatives and investments aimed at growth.

The City organisation's service attitude holds a key role in how well the economic development policy is implemented. The business-friendliness has improved over the last few years and the favourable development will be built upon.

The next pages include descriptions of 14 action points, which form the core of the City's economic development policy 2018–2021. The Economic Development department of the City Executive Office is in charge of the implementation of the actions in co-operation with the other City divisions, companies, and other partners.



# Internationally attractive Helsinki



Helsinki competes in know-how, markets, tourism, growth and capital especially with Stockholm, Amsterdam, London and Berlin, as well as with cities in the United States and Asia.

Many competing cities are currently deemed as more interesting than Helsinki and they are better known. This is despite the fact that Helsinki has reached the top tier of several international city rankings.

Helsinki's international appeal increases through a determined internationalisation of the City. Increasing the reputation and attractiveness is based on Helsinki's true strengths, which are, for example, the high education level of the population, the vibrant startup ecosystem, high quality design and programming skills and the strong tech industry. The opportunities of circular economy as well as smart and clean business are also considerable in Helsinki.

As for the geographical location, and especially in terms of air traffic, Helsinki is in a very good position, as the streams of capital, skills, innovations and tourists are increasingly flowing from east to west. The City aims to utilise its geographical location to attract international companies establish their operations in Helsinki.

## Actions

1. We promote the growth of ecologically, socio-culturally and financially sustainable tourism from diverse markets with the help of digitalization. In collaboration with local and international tourism experts, we prepare a Sustainable Tourism Programme for Helsinki, which will form the basis for more specific actions.

2. We are actively attracting regional headquarters and other foreign investments to Helsinki.
3. We enable the organisation of international major events in Helsinki and carry out Helsinki events of various themes in central target cities.
4. We engage in effective collaborations with other pioneering cities and with networks that are essential for the Helsinki City Strategy.
5. We promote Helsinki's economic development policy interests internationally.
6. We develop the local tourism and event industry and utilize Helsinki's sea and archipelago in the City's marketing activities.


Progress within this priority area is monitored especially with the following indicators of the City Strategy:

- Helsinki's ranking in the selected four international city comparisons remains at least the same as the starting level of 2017<sup>1</sup>.
- The number of overnight stays in the accommodation establishments of Helsinki increase at least at the same rate as in Stockholm and Copenhagen compared to the starting level of 2017.
- The number of conferences and conference guests in Helsinki increase at least at the same rate as in Stockholm and Copenhagen compared to the starting level of 2017.

<sup>1</sup>Insead's "Global City Talent Competitiveness Index", EIU:n "Livability Ranking", fDi Intelligencen "European Cities and Regions of the Future" and Startup Genomen "The Global Startup Ecosystem Report"



# City of a skilled labour force



An essential goal of the City is to create prerequisites for growth in the number of private sector jobs in Helsinki. The goal of the City's actions is that the people of Helsinki work in positions that are correspondent with their know-how, education and skills.

Helsinki's aim is to be a City where the experts needed by the labour market, from top researchers to welders, want to come and stay. Successful integration of immigrants increases the international attractiveness of Helsinki.

In the future, up to half of Helsinki's new businesses are established by entrepreneurs with an immigrant background. People coming from abroad use their contacts to open new opportunities for Helsinki-based companies on the international market.

However, the immigrants' below average position on the labour market and their difficulties with participating in society can lead to a segregation of housing areas, which would have significant consequences for the City's vitality and attractiveness and for the companies' decisions on their locations.

The future of work challenges the Finnish school system to produce know-how needed in the new situation and on the global labour market. Main goal for Helsinki's vocational education is to bridge the gap between the needs of the businesses and the know-how of the employees.

The technological development causes pressure for change not only on the labour market, but also in most industries in terms of the business logic, logistics, capital structures and the entire business activities. Helsinki's target is to be a forerunner in the utilisation of the opportunities provided by this technological change.

## Actions

1. We make use of and strengthen the know-how of the people of Helsinki in order to advance employment and entrepreneurship.
2. We help the unemployed with finding employment faster on the labour market by means of new digital tools and business co-operation.
3. We initiate a set of actions to improve the labour market matching by utilising new kinds of purchased services and procurement procedures.
4. We establish operational models to prevent the exclusion of young people and second-generation immigrants from the labour market and to further their employment.
5. We ensure sufficient labour force availability and enable the growth of companies by actively attracting international experts and workers to Helsinki.

Progress within this priority area is monitored especially with the following indicators of the City Strategy:

- Helsinki's employment rate will improve in comparison to the 2017 starting level.
- Helsinki's unemployment rate and number of long-term unemployed will decrease in comparison to the 2017 starting level.
- The share of work-related immigration of Helsinki's total immigration increases in comparison to the 2017 starting level (indicator under development).



# Platform for new and growing business activities



Helsinki's task is to create prerequisites and opportunities and to function as a platform. The City is being developed into the world's most advanced public sector ecosystem by combining digitalisation, design and participatory practices.

The growing significance of cities requires them to be capable of showing agility, anticipation, learning and renewal. In the future, cities make things increasingly with partners.

The cities are offered a role as fore-runners and value leaders, which take momentous actions to solve wide societal challenges or narrower types of problems. Helsinki has set up globally ambitious climate goals and both the economic development policy and the private sector play significant roles in the realisation of these goals.

The importance of cities in the innovation activities has grown during the 2000s, when essential resources and actors focus more and more on large cities. Important things in the promotion of new business activities and innovations are different kinds of networks, clusters and innovation ecosystems.

Cities play many different roles in the innovation ecosystems. They define needs, create demand and develop the dialogue. Cities open and offer their own operations or buildings for development and pilot project platforms.

Companies gain from co-operation with the City when they develop and try out new solutions in real use environments. Using the testbeds, Helsinki's goal is to attract large international companies to collaborate in the development of the City.

The City promotes innovation by opening data that is in its possession and by affecting the introduction of new solutions pertaining to, for example, construction or the environment.

## Actions

1. We provide companies with possibilities to carry out experiments in Helsinki, for example, in connection to smart traffic, health, education and clean and smart solutions that reduce emissions.
2. We develop the most important campuses and innovation ecosystems for the growth of Helsinki in co-operation with companies, institutes of higher education and other actors.
3. We attract new growth companies and ecosystem actors to Helsinki and strengthen their co-operation.

Progress within this priority area is monitored especially with the following indicators of the City Strategy:

- The Helsinki City Group engages in research, development and innovation collaborations with at least 200 companies annually on the experiment and development platforms that it offers.
- The number of full-time jobs in the private sector grows in Helsinki at least as fast as the population of the City.
- The companies' measured willingness to recommend Helsinki as a location grows in comparison to the 2016 starting level.

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