

# *Quali Pro* ——— ————— *Second Hand II*

**Guidance with proposals for network development  
for the sustainable use of the products**

**- Finland -**

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**Content**

- 1. Status of the second hand sector in Finland..... 3
- 2. Activities for sustainable implementation of the project products..... 5
- 3. Proposals for a further sustainable implementation of the projects products..... 6

## 1. Status of the second hand sector in Finland

The following description of status of the second hand sector in Finland will be based on what was written in Leonardo da Vinci project „QualiProSecondHand”, and will be continued by a review of the situation in common field of Finland and case region which is Turku region; in South-West of Finland.

There are quite a few second hand organizations (SHO) in Finland. Their background lays on recession in 90's, which aroused a huge amount of unemployed people. SHOs started their action from very low-scale actions (e.g. providing leisure time activities for their members and their families) but little by little their set of supply of products and services broadened and in most cases actions linked with environmental field; more or less recycling products and services.

A noticeable point is that in Finland most of SHOs are from legal angle associations, not ltd; some of them are regarded as a social enterprise status<sup>1</sup>, other as non-profit organizations. This reflects upon their shareholder practises in a way that shareholders don't really monitor either work of board or top management.

SHOs' sizes are also relatively small measured with turnover but they employ in many cases over 100 people. This 'equation' is possible due the fact that public labour-market officials (both central government and local administration) support SHOs by through direct subsidies mainly financing salary and/or rent cost. A reason for this is that in official labour and social policy a remarkable role has been given to SHOs to employ long-term unemployed (people who have been unemployed over 500 working days), disabled labour and e.g. refugees.

A strong dependence of SHOs with public officials, especially local labour and social authorities, has both benefits and disadvantages; stakeholder linkages have been deepening from late 90's up to late 2000's both vertically and horizontally. Benefits can naturally be measured on lower fixed costs, which enable e.g. managers to concentrate on societal task of the organization. The other side of the coin is that it's harder to recognize and analyse all negative impacts, to set accomplishable long-term goals, to evaluate goals and most of all, to set a process-based development model, which could be comprehensively as suitable for different size and in different business field and in different regions locating SHOs.

### **Ministry of Labour in Finland divides unemployed people in three categories:**

1. A group of people who have just recently lost their job but are very likely to find a new one by on their own. They don't in most of cases need active guidance from labour or social authorities.
2. Group 2 consists of workers whose competence must be updated by aided re-educating courses or new professional degree. They are actively guided (or even "forced" to participate) to find a new career path by officials.
3. Group 3 is a tough one. They consist of long-term unemployed, disabled people who may have severe physical or mental disorders, and immigrants in

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<sup>1</sup> Social Enterprise status requires from organization that on third of its employees must be long-term unemployed, disabled (mentally or physically) job-seekers or refugees.

which major problematic sub-group are refugees, whose educative and language skills are very low.

**Most of employees in SHOs in Finland consist of people in group 3.** Special features of group 3 can be described as follows:

- They are ageing people; in many business sectors over 40's who don't have updated education / work-competence, are uninteresting options for employers.
- They are already totally fed up with re-educating programmes<sup>2</sup> arranged by labour authorities and due that their first reaction to re-education within SHO is very negative or doubtful.
- Their language, computer, social skills<sup>3</sup> are inadequate.
- If they have been in labour-rehabilitating programmes over time (in some cases it is possible depending on municipal social authorities) in SHOs, they're already facing a touch of giving-up of hope, depression and frustration. Thus they are not motivated to participate in inner qualification programmes of SMO.

In qualification and strategic development process another 'bottle neck' is a lack of managing competence of top and middle-level managers. In many Finnish SHOs top and middle-level managers consists of people whose competence is based on experience in lower level management in Open Market Company or small business entrepreneurship in certain special field of business. They often do have a practical vision of 'what should be done' or emphatic touch of monitoring / guiding their workers, but they also seem to suffer of frustration and 'lazes-faire' management style. This is obvious especially for managers who have been operating several years in SHOs.

From the qualification education perspective all bold and underlined marked sentences mentioned above are relevant for further development programmes of SHOs. But one is unmentioned. It is a sum up of all previous facts. Its name is a poor organization culture and it is probably a toughest one to deal with. If organization has existed already a few years but there is no spirit 'of get things done', no one really believes in qualitative development programmes despite how good they are in matter of motivation, structure, material and so forth. During Leonardo II all participants have been exiting and enthusiastic about education structure in itself BUT they have been very disappointed or frustrated afterwards how good results are not show in every day's working life in practise.

**As a summary a few similar features of Finnish SHOs can be named. These are:**

- A strong dependence with public authorities and due that a strong influence of public bureaucracy.
- A low negation power with b-to-b customers.
- A strong dependence of products of SHOs on market fluctuations.

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<sup>2</sup> E.g. for many years in construction business operating worker, after long-term unemployment, is forced into "a course of stone painting" under a threat of losing monthly unemployment fee.

<sup>3</sup> This feature pops up especially in face-to-face sales situations.

- Small revenues, which enable only few possibilities to react on need of unexpected investments, R&D operations, marketing operations, development of sales and logistics, HRM and so forth.
- An averagely very low competence skills of operative workers and also only poor skills of middle-level managers.
- A lack of comprehensive business strategy in most of SHOs.
- A poor organization culture; a weak commitment of workers and managers.

**There are four practical SHOs in Turku region.** They are:

- Kaarinan Työttömät ry = Unemployed of Kaarina (UK)
- Turun Ekotori = Turku's Eco Square (TES)
- Raision Ekotori = Raisio's Eco Square (RES)
- Liedon Kisällikellari = Chamber of Trainers of Lieto (CTL).

UK is an official partner in Leonardo II. In Leonardo II active network collaboration partners have been UK, RES and CTL. TES is the biggest operator in region but UK is in many cases as active societal actor in the area and is a key network actor in a project. All results have been disseminated to all actors in region but key qualification participants in phases 1 and 2 were top and middle-level managers of UK, RES and CTL. Participants in phase 3 were middle-level managers and for first time key-operating workers in UK.

## **2. Activities for sustainable implementation of the project products**

As the project is time-limited and financially limited, no active promotion campaign has been launched. On the contrary, the project and its products are disseminated mainly through existing top-networks concerning SHOs in Finland, which are:

- Suomen Kierrätyskeskusten Yhdistys ry (Association for Finnish Recycling Organizations, AFRO).
- Työttömien valtakunnallinen yhdistys (Association for National Unemployed, ANU).

In the **AFRO's** action plan for a year 2011 the quality improvement and its practises has been a major topic. Members of UK have been key lectures concerning results of phases one and two and disseminating of testing material. This work will continue on autumn of 2011 and spring of 2012. So far audience has mainly consisted of managing directors but on the other hand their possibilities to further disseminate quality material on regional level is the cheapest and most effective way.

**ANU** is an organization which tries to influence on politicians at central governance for SHO point-of-view. Its interests is also that SHOs in Finland would operate and act as qualitative as possible in order to ensure decision makers that aid-money aimed to SH-markets are not wasted. Quality team will also be a one the main themes in the autumn 2011 and representatives of UK's will be main lecturers in seminars.

Other dissemination channels have been:

- on the internet:
  - promotion of official sites of Leonardo II
  - links of Leonardo II to official site on UK's home site **www.ekokaarina.net**
- straight personal connections and official network linkages both in private and official sector (national and local level)
- dissemination through local education organizations (colleges, universities).

### **3. Proposals for a further sustainable implementation of the projects products**

Till now, the project has been focused in Finland mainly on the managerial level; (phases 1 and 2, phase 3 is focused on floor-lever workers also). It has been a necessity because without orientation of managers and their motivation for further education all other resource-inputs would be wasted; see previous background of non-innovative organization culture.

Quality education is key area of HRM (Human Resource Management) and TQM (Total Quality Management). HRM and quality education (materials, structures, aims, focus groups and so on) should always be based on comprehensive business strategy. Top Management is always ultimately responsible for implementation for HRM actions.

**For further sustainable implementation of the projects product** contains following dimensions from Finnish angle:

- Present environmental and recycling education practises within Finnish education system compared with products of the project.
- Comprehensive need for vocational level in SH point-of-view especially suited for demand of employees.
- Which are the practical, educative institutions in Finland that are in key-teaching position of providing and implementing materials developed in Leonardo II.
- In order to find "real jobs in open markets" for long-period unemployed through SHOs and education programmes given in SHOs, is there still further development areas in products developed in Leonardo II?

These four dimensions mentioned above will next be considered from two angles:

- a) Visions/Ideas;
- b) Useful networks/partners.

#### ***Present education practises within Finnish education system – visions/ideas:***

- Environmental education is given in Finland at almost all levels: universities, colleges and vocational level. Upper-level organizations (e.g. universities) focus on more comprehensive, strategic and managing approach. The present material suites more into a programme of vocational schools and institutes, which have very practical touch in their teaching.

- Recycling education is lacking of an independent degree in Finnish system. A pilot project has already launched in South-West Finland. It will be focused on vocational level. It's still unclear whatever this new project will give birth for total new independent degree or will it be a new independent teaching phase within a degree already exist in vocational system.

***Present education practises within Finnish education system – networks/partners:***

- Noticing project's products developed so far and potential demand for them, a few notion can be made:
  - sustainable use of them must further develop in collaboration with SHOs, educational institutions and business and entrepreneur associations;
  - products can be given more theoretical enhancement creating more closely linked network ties with universities, faculties or departments specialized in environmental / recycling issues and due that more enhancement and dissemination possibilities to products..
- Strong promotion actions towards authorities in ministry of education in order to receive products / materials a legal educative status.

***Comprehensive need for vocational level in SH point-of-view especially suited for demand of employees – visions/ideas:***

- Vocational level can be divided in two: pre-adult and adult level. A broad survey among different field of business and entrepreneurs would be reasonable to get updated information which kind of special skills employees require in environmental issues; in both pre-adult and adult levels.
- What kind of role SHOs can play in education process in which recycling professional is tailored in individual level to needs of employee.

***Comprehensive need for vocational level in SH point-of-view especially suited for demand of employees – networks/partners:***

- SHOs in all parts in Finland; even though researches / case studies may be more worthwhile to proceed regionally in collaboration with some SHOs companies and education institutions.
- An open sharing of these results e.g. to all present Leonardo II network partners and a comparison of results between each other.

***The practical, educative institutions in Finland that are in key-teaching position – visions/ideas:***

- A Chosen institute should already have long-period experience in teaching of environmental / recycling matters.
- A Chosen key-institute most likely lays on field of vocational level than in theoretical / research field.

***The practical, educative institutions in Finland that are in key-teaching position – networks/partners:***

- Chosen local institutes.
- Chosen local SHOs and specially their possible developing projects linking with the project's products.

- Possible local authorities who may have financial or administrative interests in developing projects.

***On-going evaluating process between actors involved in order to find sustainable developing path for products of Leonardo II – visions/ideas/networks/partners:***

- An explicit answer is impossible to give who are right network actors / partners in right time, location or project field; there exists too many dimensions which can be dominant.
- However some ideas can be drawn:
  - all participants who mutually have committed to a) use products and b) further develop them should possess equalities like:
    - see benefits for long-period commitment of educating process, strategic development of organizations and mostly can separate basic differences between projects and processes,
    - they have resources enough to real educative investments;
  - educative positive results in field of SHOs may be delayed for many reasons, so patience is required for participants and network managers;
  - a lot of experience is required from teachers who are in responsible of giving practical lessons in SHOs: there probably are huge heterogeneity among students from a ability to learn point-of-view.