



European
Commission

Quarterly - August 2019



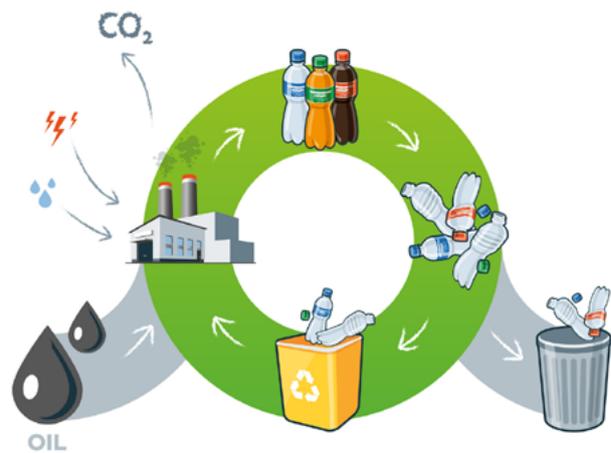
#ResourceEfficiency #EREK

SOCIAL ECONOMY AND RESOURCE EFFICIENCY

A significant portion of the European economy can be classified as social economy. The social economy, also known as the fourth sector, can be defined in a variety of ways, but in essence it consists of a variety of organisations that use market mechanisms to pursue explicit social objectives. Through these types of organisations, social goals, reciprocity and solidarity are reinserted into economic thinking and decision making.

There are over 2 million social economy enterprises in Europe, representing 10% of all businesses in the EU. Social economy enterprises consists of a variety of different organisations, such as cooperatives, mutual societies, non-profit associations, foundations and social enterprises. These organisations employ over 11 million people. An important and growing group of social economy enterprises are social enterprises. Their main objective is to have a social, societal or environmental impact for the general interest.

The social economy plays an important role in the transition towards sustainability, resource efficiency and a greener economy. Social economy enterprises can have sustainability central to their business models, a goal beyond profit. These enterprises can also help ensure that the transition towards a green economy does not reinforce inequality and insecurity.



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In this edition of EREK Quarterly, read our interview with Mathieu Rama, environmental policy officer of RREUSE, an international network of social enterprises that put service to the environment and community at the heart of their activities in re-use, repair and recycling (page 2-3); practical examples from companies (page 4); information on public-funded support programmes related to social economy (page 5) and many other relevant tips and information.

The Role of Social Enterprises in Resource Efficiency

RREUSE is an international network of social enterprises that put service to the environment and community at the heart of their activities in re-use, repair and recycling. RREUSE focuses on stimulating the EU and national governments to move from promoting just recycling and waste management to putting second-hand first.

The organisation has 29 members across 24 European countries and the United States, with over a thousand social enterprises as part of RREUSE's wider network. There are over 160.000 employees, volunteers and trainees engaged in the activity of RREUSE members. Through their work, over 1 million tonnes of material has been diverted from landfills, mostly furniture, textiles, electronics, books and records.

EREK News spoke with the environmental policy office of RREUSE, Mathieu Rama, about the work RREUSE does, the role of social enterprises in reusing and recycling and the barriers they encounter at the policy level.

What does RREUSE do?

RREUSE aims to support the development of social enterprises active in environmental services through engaging in the development and implementation of EU policies of direct relevance to their operations, especially in the field of re-use and repair. With a stronger legal environment, social enterprises would have further support in developing their activities and creating new partnerships, resulting in longer product lifetime and the creation of more local green and inclusive jobs.

In recent years, the push towards a circular economy has emphasised the importance of re-use and repair activities, but what is important is that we do not lose sight of the positive social impact of these activities. Legal developments that we are currently actively monitoring and engaging in include Ecodesign, implementation of EU waste legislation, Public Procurement and changes to the EU VAT rules. We want to ensure products are long-lasting, easily repairable and durable, and that legislation supports re-use and preparing for re-use beyond recycling, even though the latter is important.

RREUSE is currently collaborating with the EU Commission's DG Employment through an NGO Framework Partnership agreement. This allows RREUSE to focus more on raising awareness for positive social impact: the reason our members exist. As such RREUSE promotes the importance of measuring and demonstrating social impact, as well as the role of social enterprises in implementing the [EU Pillar of Social Rights](#) and the [Sustainable Development Goals](#), especially goals related to the circular economy.

What does the social economy mean to you?

There are a lot of different definitions across Europe. The social enterprises we work with, follow the economic, social and environmental principals associated with sustainable development. They are still enterprises and have business models that operate in a competitive market yet are carrying out their economic activity to fulfil their social objectives. For the majority of our members the social mission is the training and reintegration of people who are distant from the labour market, whilst others are focused on providing housing and other key benefits to the community.

Can you explain the benefits of reusing versus recycling?

Extending product lifetimes through re-use saves on embodied energy, materials and resources that went into producing the product. The recycling of products should only happen after the products can't be used as such, when waste materials are reprocessed into different products or materials.

The key point from a socio-economic perspective is that re-use and repair create far more jobs per a given amount of material compared to other waste treatment options such as recycling, (energy) recovery or landfill.

What products can be re-used?

In theory most things are re-useable but there are obstacles making it more difficult to do so. Our members focus on household goods but there are also great initiatives with the re-use of construction materials and even buildings themselves.

The design of products plays a key role as it often prevents easy repair and ultimately the re-usability. This is why we advocate for changes in regulations under the [Ecodesign Directive](#), so that electronic products, for example, not only should adhere to energy efficiency standards, but also to resource efficiency standards. In practice this means that product parts should not be glued or soldered but should be readily removable with commonly available tools. Companies should also ensure that they sell replacement parts, which should be delivered within a respectable timeframe and non-prohibitive price that encourages direct replacement rather than repair. It also means that information on how to repair the products should be available. Lack of information is a major bottleneck in carrying out a repair. At the moment, you would need to buy repair manuals for all different brands and models, which is simply not feasible. We, as well as other organisations in the field, advocate for free access to this information.

In general, products that use electricity are the focus of growing concern related to their durability and ease of repair, but RREUSE argues that overall quality of goods entering the EU market is decreasing. As such, the EU must

look at eco-design requirements for all products, including product categories such as textiles and furniture.

In your experience, is there a market for re-used products?

The second-hand market is growing and attitudes towards buying second-hand are changing, which is great. Recent reports indicate that 2019 may be the first year in which worldwide sales of new smartphones will decline, as more people are buying second-hand. More and more people are seeing the benefit of buying second-hand products, especially when markets are saturated. The perception has changed: it is no longer shameful. Buying second-hand has even become trendy.

We also see that customers in the second-hand retail outlets of our members are increasingly interested in and aware of the importance of the social and environmental benefits of buying second-hand.

What are the barriers you encounter?

The main barrier is the linear economic model: it discourages our activities. Reused products face harsh competition with very low-priced new products, which externalise the true cost of resources and labour. It is also difficult to advertise buying second-hand as much as new products. We also notice that recycling is easier to implement as it doesn't question the dominant 'create and dispose' mentality. People are under the impression that everything can be recycled, which today is simply not the case.

Prevention is at the top of the EU waste hierarchy, but waste management models are currently not designed in a way that is conducive to reuse. A lot of discarded products could be reused or repaired if they were stored and transported properly, but often these products are heaped into trucks and further damaged. There needs to be a change in how our waste is handled to preserve re-use potential and encourage ways of avoiding that these products end up as waste in the first place.

There also needs to be more communication around re-use and preparing to re-use, as there is a lack of knowledge by consumers and policy makers. Consumers have gotten used to products that break quickly and they don't believe that their products can be repaired.

What do you see as the future of the sector?

From a legal perspective we see that the policy environment is slowly bringing re-use, preparing for re-use and repair out from the shadow of recycling. We're still lacking legally binding targets in waste regulation that we think will really make a difference, but recent changes to EU waste law have definitely raised the profile of these activities. For social enterprises it's a great opportunity to use the new legal provisions as a means to inspire new partnerships with the public or private sector and to expand their activities: extend product lifetimes and create

local jobs. It is clear that the private and public sector must put more resources into waste prevention and re-use than they are currently doing.

From a product perspective, there is also gathering legal pressure on producers to ensure their products are easily repairable and durable. However, greater urgency is needed. Buying second-hand should be easier and cheaper. Member states should look at setting lower or zero VAT on the sale of second-hand goods, which is not the case in a number of member states.

The concept of a circular economy is inspiring new innovative business models and voluntary initiatives intended to support re-use, including renting, leasing and sharing initiatives. This is very positive. Social enterprises are at the heart of many of these activities as many of them have been active in the sector for decades, developing professionalism and know-how. Major brands are also investigating new circular business models and conducting pilots, some even in collaboration with social enterprise.

For the future it is important that the role of social enterprise in the circular economy is maintained and supported, both in terms of supporting the environment and our communities. Recognising and demonstrating social impact and encouraging local and inclusive job creation must be kept close to discussions in order to ensure a holistic approach towards developing the circular economy.

“The push towards a circular economy has emphasised the importance of re-use and repair activities, but what is important is that we do not lose sight of the positive social impact of these activities.”



Mathieu RAMA is a graduate from the University of Nantes, with master's degrees in both Political Science and Law, and Sustainable Development and Environmental Law. Since 2015, he is responsible for RREUSE's advocacy work towards European Institutions and stakeholders related to environmental and social policies.

More info: www.rreuse.org

Social Economy in Practice

Recycling used cooking oil into biodiesel



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source: Fotolia.com

Hotel kitchens and restaurants produce large quantities of used cooking oil. This oil is often washed down drains and can end up polluting the environment, adding to climate change, and clogging up water bodies. But there is another way; used cooking oil is a renewable resource that can easily be recycled and substitute fossil fuels. One initiative in Bali set out to collect used cooking oil regularly and free of charge from cooperating hotels and restaurants around the island, and especially in the most touristic areas. The collection is organised by a social enterprise, Lengjis Hijau (Green Oil) created by Caritas Switzerland, Kuoni Travel Holding Ltd. and Foundation myclimate, and provides new jobs for socially disadvantaged people.

➤ www.resourceefficient.eu/en/good-practice/recycling-used-cooking-oil-biodiesel

Online reuse platform, Globechain



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source: Fotolia.com

Globechain is an online reuse platform in Europe, a so-called “free-cycle for corporates”. It allows companies and charities to claim unwanted items from the retail, commercial and construction sectors. Globechain can provide all the legislative information necessary for these transactions and, using a unique digital platform, creates a robust social impact waste audit trail.

The platform has over 1 000 registered members worldwide and has worked with some 10 000 charities, 700 stores, and

14 hospitals. A large percentage of its clients are SMEs. Over 5 000 kilos of equipment has already been reused.

Globechain aims to lead a new generation of businesses being ‘commercial with a conscience’: to help corporations to achieve their sustainability goals at the same time as creating social value.

➤ www.resourceefficient.eu/en/technology/online-reuse-platform-globechain

The East Bay Depot for Creative Re-use



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Office waste can be reduced by ensuring that discarded office equipment and furniture is re-used in some other facility or for another purpose. The equipment can be donated to charity organisations or stores that specialise in this type of re-use. The East Bay Depot for Creative Re-use is a non-profit organisation established for the purpose of redistributing used office furniture and machinery to schools and community centres, for example.

Offices wishing to refurbish often do so for decorative or aesthetic reasons, which means their existing furniture is still in good condition or re-usable. By giving it to organisations, such as the East Bay Depot, the company can also save on costly waste-collection charges. However, the savings in resources are much greater as furniture and equipment are normally large items containing various materials. By prolonging their lifespan through re-use, resources are saved, recycled, re-used or repurposed in new equipment and products.

➤ www.resourceefficient.eu/en/good-practice/east-bay-depot-creative-re-use

Check out our EREK database for other good practices, measures and technologies that allow SMEs to become more resource efficient through social economy principles.

Want to integrate social economy principles but not sure where to start?

Below you can find some examples of European and national programmes offering support (funding, contacts, expertise, information) to SMEs interested in the social economy.

EREK network members can also advise companies looking for experts on this topic and relevant support measures.

Green Jobs Programme

The Green Jobs Programme in Spain fosters and improves green employment. It supports projects which address two thematic areas:

- Green economy, which contributes to the development of new sustainable production and consumption models, generating social and environmental benefits in the territory and favouring the creation of new jobs.
- Blue economy, which contributes to sustainable development of the oceans, international competitiveness, efficient use of resources, creation of employment and new growth sources, protecting biodiversity.

➤ www.resourceefficient.eu/en/support-programme/green-jobs-programme

Regional Operational Programme

The Regional Operational Programme (ROP) aims at promoting smart, sustainable and inclusive growth in all regions in Romania, making them more attractive places in which to live and work. The programme addresses the major development challenges for Romania: regional competitiveness, sustainable urban development, the low-carbon economy, and economic and social infrastructure at regional and local levels.

➤ www.resourceefficient.eu/en/support-programme/regional-operational-programme

BMIX - Business Model Innovation Grid

This tool aims to inspire businesses to incorporate environmental and social considerations into their core business model. It provides eight basic sustainability strategies categorised under technological, social and organisational themes with focus on resource efficiency aspects (in particular waste and material management). They include: Social Entrepreneurship, co-creation and circularity among others.

For each strategy, specific business models are described, and real-life business cases provided (in total more than 100 case studies).

➤ www.resourceefficient.eu/en/support-programme/bmix-business-model-innovation-grid

CSR Netherlands, circular economy

CSR Netherlands is the Centre of Excellence for Dutch companies striving towards corporate social responsibility. More than 2 000 companies are affiliated with this networking organisation. CSR Netherlands offers general support to the Dutch business community, partner organisations and embassies. It supports partners by facilitating networks and transition programmes, and by developing products and tools including circular economy concepts, among others.

➤ www.resourceefficient.eu/en/support-programme/csr-netherlands-circular-economy



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Further reading & resources

If you want to learn more about the social economy and resource efficiency, please check the following links and resources.

REPORTS, STUDIES:

- **CREECH, H., HUPPÉ, G.A., PAAS, L. & VOORA, V. (2012)** Social and environmental enterprises in the green economy: supporting sustainable development and poverty eradication on the ground. [see here](#)
- **CREECH, H., PAAS, L., HUPPÉ, G., VOORA V., HYBSIER, C., & MARQUARD, H. (2014)** Small-scale social-environmental enterprises in the green economy: supporting grassroots innovation, Development in Practice. [see here](#)
- **EUROPEAN COMMISSION (2019)** Social Economy in the EU. [see here](#)
- **OECD/EC (2017)** Boosting Social Enterprise Development: Good Practice Compendium, OECD Publishing, Paris. [see here](#)
- **OECD/EC (2013)** Policy Brief on Social Entrepreneurship: Entrepreneurial Activities in Europe. [see here](#)
- **UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT (2012)** Social Dimensions of Green Economy. [see here](#)

NEWSPAPERS AND BLOGS:

- **ANASTASIO, M. (2019)** Europe paves way for right to repair. [see here](#)
- **ECOVISIO (2019)** Social Entrepreneurship. [see here](#)
- **EREK NEWS (2019)** Interview #15: Harald Friedl of Circle Economy. [see here](#)
- **RAYNER, T. (2018)** The surprising growth of used smartphones. [see here](#)
- **RREUSE (2017)** Poor handling of WEEE must be tackled. [see here](#)

PROJECTS:

- **ECOVISIO** Social Entrepreneurship Forum. [see here](#)

VIDEOS:

- **CHANTIER DE L'ÉCONOMIE SOCIALE (2015)** What is the social economy. [see here](#)
- **HEINRICH-BÖLL-STIFTUNG (2016)** Rethinking the Green Economy – Which economic model do we need for social and ecological justice? [see here](#)
- **TED (2018)** A healthy economy should be designed to thrive, not grow | Kate Raworth. [see here](#)
- **UNRISD (2012)** Green Economy and Sustainable Development: Bringing Back the Social. [see here](#)

EREK - YOUR REFERENCE POINT ON BUSINESS COMPETITIVENESS THROUGH RESOURCE EFFICIENCY





The European Resource Efficiency Knowledge Centre (EREK) is here to help European companies, especially SMEs, save energy, material and water costs. We provide tools, information and business opportunities that show you new and better ways to be resource efficient and benefit from circular economy business models which turn waste into an asset.

EREK also supports national, regional and local organisations across Europe that work with SMEs to improve their environmental performance, helping them to become more resource efficient.

www.ResourceEfficient.eu



Test your business's resource efficiency performance

Publications Office of the European Union, 2019

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