



MAKING THE MOST OF SOCIAL ECONOMY'S CONTRIBUTION TO THE CIRCULAR ECONOMY

Launch Event | 19 January 2022

HIGHLIGHTS

THE BIG PICTURE

- The recovery from the COVID-19 pandemic provides a unique opportunity to promote a green and inclusive transition, including through the circular and the social economy. While there is some consensus on the circular economy's positive environmental impacts, its social benefits remain relatively unexplored. The social economy can help reinforce both the circular economy and its social value.
- Social economy organisations have played pioneering roles for decades in shaping and expanding circular economy activities and practices. Through their engagement in circular value chains, they also reinforce social inclusion by providing job and training opportunities for vulnerable groups, and contribute to circular business models based on proximity and collaboration.
- Given the social economy's demonstrated experience in developing circular activities, national and local policy makers, as well as practitioners, increasingly recognise the important role it can play in stimulating the circular shift. A growing number of policy initiatives supports either the circular or the social economy, and increasingly the combination of both.

As we seek to build back better, how can the potential of the social economy be more effectively leveraged to reinforce the circular economy?

Policy makers and social economy representatives engaged in an interactive discussion during the event to explore the potential of the social economy in supporting circular activities and how to better capitalise on the social economy's potential to help the circular shift. This event also launched the [policy brief on Making the Most of the Social Economy's Contribution to the Circular Economy](#) released by the OECD and the European Commission in January 2022.

Speakers (in order of appearance during the event)



Antonella NOYA
Centre for Entrepreneurship,
SMEs, Regions and Cities, OECD



Julie RIJSENS
Centre for Entrepreneurship,
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Julien DE BEYS
DG EMPL,
European Commission



Florentin LETISSIER
Deputy Mayor, Paris,
France



Claire DOWNEY
Rediscovery Center,
Ireland



Stephan KAMPELMANN
Sonian Wood Coop,
Belgium



Vanessa SCHUMMER
Ministry of Labour, Employment and
the Social and Solidarity Economy,
Luxembourg



William NEALE
DG Environment,
European Commission



Ander EIZAGUIRRE
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HIGHLIGHTS

The social economy can reinforce circular activities and related business models to help a just transition

Social economy organisations have played a pioneering role for decades in shaping and expanding circular economy practices through activities such as electronics and textile recycling, reusable consumer goods, and repair and remanufacturing activities. Their contribution could even expand thanks to the many opportunities for diversification of circular activities developed by the social economy, as shown in a study conducted in Luxembourg (Vanessa Schummer).

“There is clearly a great potential and many opportunities to diversify the circular activities implemented by social economy actors.” (Vanessa Schummer)

Through their engagement in circular value chains, social economy organisations have positive environmental benefits and help fight against social and economic inequalities (Florentin Letissier). The social economy organisations create decent jobs and training opportunities in the circular economy. In Ireland, social enterprises provide many jobs in the circular economy and make up more than half of the second hand outlets (Claire Downey). For instance, in 2020, social enterprises that are members of the Community Resources Network Ireland employed 727 full-time and 62 part-time staff, had 817 people in employment programmes and 8 646 volunteers. The Rediscovery Centre, which remains strongly rooted in the community, provides for working and training opportunities with over 40% of its full-time employees being involved in specific work integration schemes.

The **Rediscovery Centre** (Ireland) brings together the skills and expertise of artists, scientists, designers and craftspeople sharing the common goal of sustainability. It supports four reuse social enterprises: Rediscover Furniture, Rediscover Fashion, Rediscover Paint and Rediscover Cycling. These businesses use unwanted materials for new product development and design, demonstrating effective resource reuse and low carbon living.

“In Ireland, social enterprises provide many jobs in the circular economy and make up more than half of the second hand outlets. At the Rediscovery Centre, around half of its full-time employees are involved in specific work integration schemes” Claire Downey

The circular economy is more than just recycling and waste management, it is about making sure that value is retained in the economy and resources are used for longer and in a more intensive and optimal way (William Neale). Social economy organisations can propose innovative and disruptive ways to answer these challenges thanks to their local and collaborative nature, their community-based and participative component as well as their ability to favour a long-term perspective (William Neale).

“Social economy entities tend to be innovative and disruptive. And when you talk about not selling stuff anymore to optimise value of materials and products, it is quite disruptive and innovative.” William Neale

The **Sonian Wood Coop** (Belgium) builds strong local and circular value chains that respect the environment, empower people and build community capacity. Its goal is to change the current dynamic in the City of Brussels which, every year, imports over 60 000 tonnes of wood, when it could be sourced from the Sonian Forest just outside the city. Instead, most of the wood sourced from the forest is exported to Asia to be processed and sent back as finished products.

Social economy organisations also contribute to circular value chains based on proximity and collaboration. The Sonian Wood Coop includes all actors of the value chain for local woodwork and operates at a local scale, the forest and production site being next to the potential customers. Operating as a social economy organisation allows to gain the local community's trust as well as to show the goodwill to sustainably manage the forest with respect for the local resources and people. It is even a factor that helped to raise awareness of what the co-operative does and how it differs from other actors (Stephan Kampelmann).

Awareness raising and concrete partnerships can help reconcile social, economic and environmental agendas

The shift to the social and circular economy is unavoidable if we are to confront challenges such as climate change or the COVID-19 crisis (Vanessa Schummer). The circular economy is a shared responsibility across all actors, be they governments, social economy entities, businesses and civil society, and all have a critical role to play in the transition towards a circular economy (Ander Eizaguirre). Reconciling the social, economic and environmental agendas but also facilitating this shared responsibility among diverse actors will be crucial to further the green and inclusive transition.

“The green transition will take place; the challenge is to make it fair. The social economy can help to make the transition socially acceptable.” Julien De Beys

There is definitely a momentum with exciting opportunities to support these synergies between the social and the circular economy. In Ireland for example, new policies, strategies and programs as well as new funds have been established in the last three years. Moreover, the social economy is increasingly referenced in circular, environmental and rural policies, which constitutes a great potential for the field to keep growing (Claire Downey). At the European level, environmental policy seems to have become a more shared concern in recent years, with the DG Environment working with colleagues in charge of economic development, employment and social affairs. It would be good for this silo-breaking and cross-ministerial approach also to happen increasingly at the national as well as regional and local levels (William Neale).

Two avenues can drive a mindset shift to favour tangible actions that reconcile these social, economic and environmental agendas and increase collaboration among actors: awareness-raising and concrete partnerships. Policy makers can help raise awareness on the need to shift to the social and circular economy and the potential of the social economy vis-à-vis the circular economy, for example through the organisation of events (Vanessa Schummer). Social economy organisations are also actively involved in raising awareness on the need to transition towards sustainable and inclusive economies and societies. In Ireland, the Rediscovery Centre provides education services to schools, especially in disadvantaged areas to help raise awareness around sustainability, as well as several activities to engage citizens in the circular economy (Claire Downey).

Luxembourg

In 2021, the Ministry of Labour, Employment and the Social and Solidarity Economy of Luxembourg initiated a **study** that allowed to define the main concepts of social economy and circular economy, collect information on the ecosystem, and identify the actions to be carried out for further development of the field in Luxembourg and the greater region (Belgium, France and Germany). Three strategic areas were identified: awareness raising, tooling up and scaling up, as well as concrete actions to create the conducive conditions to further develop social and circular economy activities, such as supporting the creation of cross-border networks and partnerships to share good practices and experiences.

Embeddedness in the local ecosystems and strategic partnerships between social economy actors and policy makers, but also with businesses and the civil society, are extremely important at local, national and EU level, also to include both green- and socially-oriented actors (Claire Downey, Stephan Kampelmann). Through these collaborations, social and circular economy actors can inspire sustainable and socially inclusive practices within other firms that are less willing to do so. This could reinforce the progressive transition of our economies and societies in the right direction (Florentin Letissier).

Many policy strategies at the European, national and local level can help scale the social economy's contribution in making local economies more circular

Social economy actors still face significant challenges to contribute at their full potential to circular activities and value chains. Recurrent barriers include the need to raise awareness of the value of social economy actors that are, wrongly, not always regarded as “real businesses” capable to be part of the mainstream circular economy landscape (Claire Downey). Addressing the skills shortage and building the relevant training schemes to reinforce circular economy skills, but also facilitating access to spaces and specific accreditations for circular economy activities, are additional priorities. Another big challenge is about the issues that every (social) entrepreneur faces when running a business and that are even more important for social economy organisations to get right (Stephan Kampelmann).

“The importance of entrepreneurship and of the entrepreneurial landscape in each city or region should not be underestimated. Without a strong entrepreneurial scene, there is no echo.” (Stephan Kampelmann)

Governments need to create the right conditions and incentives for the circular economy to happen (Ander Eizaguirre) but also to help social economy actors active in the circular economy grow beyond the niche. Stronger co-ordination among European, national and local levels can amplify the respective policy efforts already underway at these different levels. In France, for example, national policy tools, such as the 2014 Law on the Social and Solidarity Economy and the 2020 Law on the Circular Economy, provided new instruments for regions and cities to work on both the social and the circular economy by clearly defining core notions and setting specific goals for the field (Florentin Letissier).

“Most social economy organisations active in the circular economy are too small today to respond to consumers’ needs and change their ways of living or buying. That is why policy makers need to help them grow.” (Florentin Letissier)

Unleashing the potential of the social economy to contribute to the circular economy requires developing upfront the right conditions locally. As explained by all policy makers involved in the panel discussion, a range of policy tools and instruments can be used at the local, the national and the European level:

- The implementation of a national strategy on the social and circular economy, awareness-raising campaigns and support to research and development can help reinforce the contribution of the social economy to the circular economy and diversify the social economy's circular activities.
- Legislation can help define the notions of social economy and circular economy and set specific goals to achieve in the field.
- Beyond regulation, standards must also evolve to remove unnecessary barriers to the development of the social/circular economy but also establish minimum physical requirements around durability, reparability, dismantling and contained materials for any product put on the internal market that will contribute to making more circular business models viable.
- Public procurement, especially through the introduction of social and circular clauses, can be leveraged to facilitate access to markets (e.g. through initiatives to facilitate social and solidarity economy involvement in public procurement for the Paris 2024 Olympic Games).

City of Paris, France

The City of Paris supports social and circular economy organisations through funding, helping them find commercial premises and communicating about their activities to increase visibility. Five priority sectors have been identified: textile and fashion, construction and furniture, electrical and electronic devices, deposit schemes, as well as reusable packaging and logistics.

The 2022 budget allocated to the Parisian social, solidarity and circular economy amounts to EUR 12.37 million, of which EUR 2.6 million are used for investment purposes and nearly EUR 10 million will answer operational needs. Almost three quarters of this part of the budget are dedicated to work integration through economic activities, and the remaining quarter will support the development of the social, solidarity and circular economy, for example by accompanying the creation of new projects through grants to support social entrepreneurship and develop circular neighbourhoods.

- Strategic partnerships among diverse actors (e.g. pilot projects between traditional companies and social economy entities focusing on the circular economy) can be supported to facilitate access to markets but also inspire sustainable and inclusive practices in conventional businesses.

European Commission initiatives

The **Social Economy Action Plan 2021-2030** develops concrete measures that aim to mobilise the full potential of the social economy. Among other topics, it proposes actions to maximise the contribution of the social economy to the green transition, recognising the pioneer role of the social economy in the circular economy and in dealing with environmental issues while reinforcing social inclusion.

The Action Plan was accompanied by the staff working document “**Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital Proximity and Social Economy industrial ecosystem**” that presents various scenarios on what accelerating the digital and green transition as well as building resilience to future shocks mean for the Proximity and Social Economy industrial ecosystem. The actions necessary to accompany this transition rely on skills and capacity building, enabling EU financing of projects, reinforcing transnational networking and cross-sectoral partnerships, and improving the evidence base on the ecosystem.