

BRIEFING

JOB CREATION IN THE RE-USE SECTOR: DATA INSIGHTS FROM SOCIAL ENTERPRISES

EXECUTIVE SUMMARY:

Data availability on job creation in the circular economy, notably through re-use activities, remains limited. This briefing uses unique survey data from the RREUSE network, focussing on the contribution of social enterprises to inclusive green jobs in the re-use sector and aimed at providing insights for policy-makers in this field.

On average, a social enterprise creates 70 jobs per 1,000 tonnes collected with a view of being re-used. Taking into consideration the variety and contextual specificities of activities associated with re-use, social enterprises create between 20 and 140 jobs 1,000 tonnes collected with a view of being re-used, with the majority of them situated within a range of 40 to 100 jobs per 1,000 tonnes.

For a selection of re-use focussed activities, chosen due to their relevance to ongoing policy developments at EU level, the job creation figures can be represented as follows:

- Textile re-use: 20 – 35 jobs / 1,000 tonnes
- Multi household-product re-use: 35 – 70 jobs / 1,000 tonnes
- Electronic and Electrical Equipment re-use: 60 – 140 jobs / 1,000 tonnes

RREUSE is a non-profit network organisation representing social enterprises active in the circular economy, notably in re-use, repair and recycling. RREUSE currently has 30 members from 26 countries in Europe and the USA, federating a wider network of approximately 850 individual social enterprises. These organisations collectively handle 1 million tonnes of goods and materials annually through which they provide job and training opportunities to over 100,000 individuals, many of whom are at risk of social exclusion. RREUSE's mission is to ensure that policies, innovative partnerships and exchange of best practices promote and develop the role of social enterprise and local inclusive jobs in the circular economy.

1. INTRODUCTION

The Circular Economy Action Plan estimates that the number of jobs linked to the circular economy in the EU grew by 5% between 2012 and 2018.¹ Yet, there remains gaps in research and in public understanding regarding how the circular economy can provide quality and inclusive jobs.

This briefing outlines the value that social economy enterprises bring to the circular economy in terms of job creation, focussing on the upper levels of the waste hierarchy, notably re-use and preparation for re-use activities. Social enterprises are crucial for a just and green transition towards a resilient low-carbon economy, given their activities to curb the use of resources whilst providing local and inclusive employment opportunities and services.

The majority of statistics contained in this briefing are based on RREUSE's annual member survey for the year 2019 and several semi-structured interviews. The figures were collected from 27 RREUSE members – mainly national and regional networks of social enterprises – as well as more than 30 individual social enterprises from RREUSE's wider network. The consolidated data concerns social and environmental performances of social enterprises active in the circular economy, allowing for temporal and spatial data comparisons.

This briefing focuses on the indicator of *total job contracts*² per 1,000 tonnes collected with a view of being re-used³. It serves as a means to shed light on the labour-intensive nature of the circular economy, with a special focus on the re-use sector. It is hoped that these statistics, coupled with further support and research interest into social value and job creation by European policies and programmes, could better support inclusive circular jobs now and in the future. Additionally, it should provide better understanding on the impact social enterprises have in our society.

The ultimate aim of this contribution is to provide food for thought to policymakers when reflecting on strategies stimulating an inclusive and job-rich recovery linked to the implementation of the Circular Economy Action Plan as well as the formulation of an EU Action Plan for the Social Economy.

Further insights into common circular activities, focussed on textiles, electronics and multi-household product re-use are also explored given their relevance to waste prevention policies as well as the EU's Sustainable Product Policy Framework, including a future EU Strategy for Textiles and Circular Electronics Initiative.

¹ European Commission (2020) Circular Economy Action Plan (Available [here](#))

² Data reported in this briefing refers to overall jobs created or "total employment contracts", which must be distinguished from the indicators "total people engaged" (which includes volunteers and unpaid trainees) and "total FTE employment" (which measures the full-time equivalent of the total amount of jobs created).

³ In the re-use sector, products are collected for re-use, but not all of the items collected actually make it to being sold after the sorting processes. That's why this briefing focuses on overall collected tonnes and not tonnage of second-hand products sold or donated.

2. THE ROLE OF SOCIAL ENTERPRISES IN THE CIRCULAR ECONOMY

The main characteristic of social enterprises is that their primary objective is to have a social, societal and/or environmental impact, rather than generate profit for owners and shareholders⁴. The majority of RREUSE's wider network are social enterprises whose main aim is the integration of vulnerable individuals into the open-labour market. Their activities in the circular economy provide a means to achieve this goal. Recent data of social enterprises focussed on work integration across 10 European countries indicate that around 65% of disadvantaged workers managed to find employment or further training opportunities following their placements. According to La Fédération des Entreprises d'Insertion, every €1 invested from the state for the integration of people in employment, can provide an expected return of €4.5.⁵

Beyond inclusive job creation, social enterprises active in the circular economy are providing green skills development and lifelong learning opportunities for vulnerable groups, increasingly necessary in the transition towards a low-carbon economy. For instance, some employment activities that are associated with a variety of re-use oriented activities include reception of goods (identification, first quality checks, sorting), storage and logistics (adequate transport and handling, dismantling, storage of surplus merchandise), restoration (dismantling, cleaning, repair, functionality checks), or community-based circular training and awareness (upholstery, collaborative repairs, community outreach)⁶.

The enterprises federated by RREUSE are highly diverse in nature, legal status and operations. Beside the traditional re-use and preparing for re-use operations, some also work in recycling, food recovery and circular construction, all requiring a wide range of green and transferable skills. Jobs related to administrative, education and/or outreach tasks are also essential given their enabling role for all circular activities.

According to RREUSE's annual survey, social enterprises active across all circular activities create between 3 and 140 jobs per 1,000 tonnes of material collected. The lower bounds of this range tend to be associated with pure recycling-related activities, which tend to be more mechanically-intensive⁷. Important factors at play include the given stage of the recycling value chain the social enterprise is active, the type of product to be recycled and the dependency on machinery for its collection and processing, as well as the choice of the social enterprise regarding the extent to which they use mechanical equipment for a given process.

⁴ European Commission (2021) Social Economy in the EU (Available [here](#))

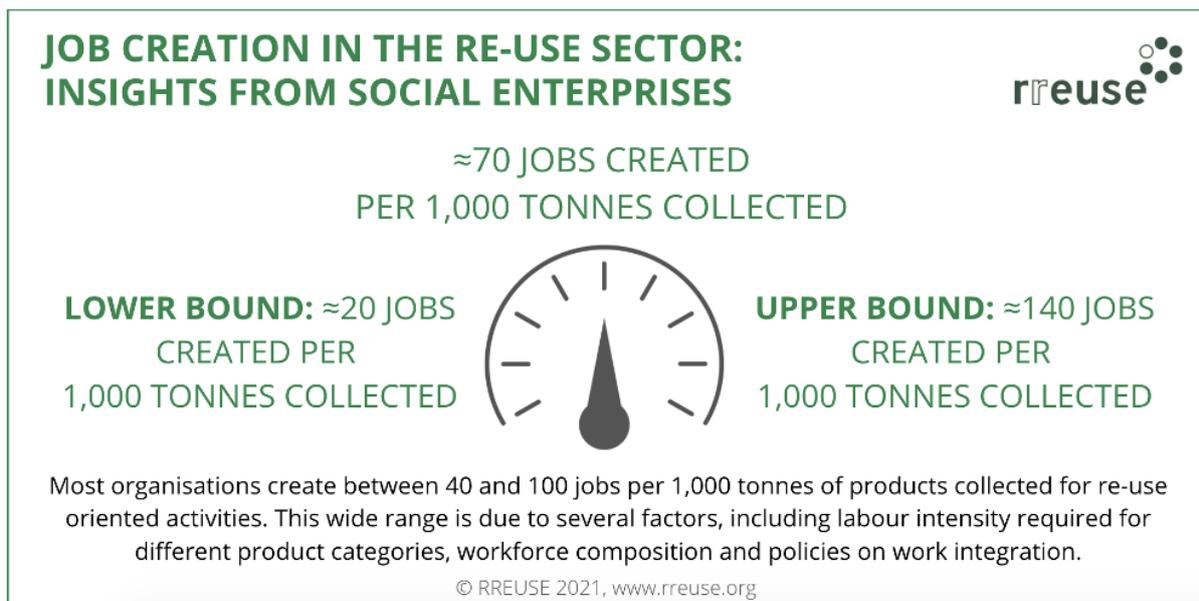
⁵ La Fédération des Entreprises d'Insertion (2018), Efficacité économique et efficacité sociale... en même temps (Available [here](#))

⁶ Koring, C. & Arold, H. (2008) European report: an investigation and analysis of the second-hand sector in Europe. Quali Pro Second Hand project. (Available [here](#)). Also Koring, C., Arold, H. & Windelband, L. (2008) European Good-Practice-Report. A study on possible qualification needs, approaches and strategies in the second-hand sector in Europe. Quali Pro Second Hand project. (Available [here](#)).

⁷ For this briefing, clear-cut examples have been selected for different activities and products, but it must be added that most social enterprises active in the circular economy perform both re-use and recycling, i.e. collecting material with the aim of re-using it but recycling those elements which cannot be re-used.

More generally, re-use has a higher job creation potential than recycling because of its intrinsically labour-intensive tasks, described above. As such, this briefing focuses on job creation data across a variety of re-use sector activities with the aim to help address current gaps in circular economy knowledge and available data.

3. UPDATED DATA ABOUT JOB POTENTIAL IN THE RE-USE SECTOR



According to RREUSE’s latest estimates, social enterprises active in re-use oriented activities create approximately 70 jobs per 1,000 tonnes collected with a view of being re-used. Nevertheless, given the range and variety of activities in the re-use sector, social enterprises are creating between 20 and 140 jobs per 1,000 tonnes collected with a view of being re-used, with the majority creating between 40 and 100 jobs per 1,000 tonnes.

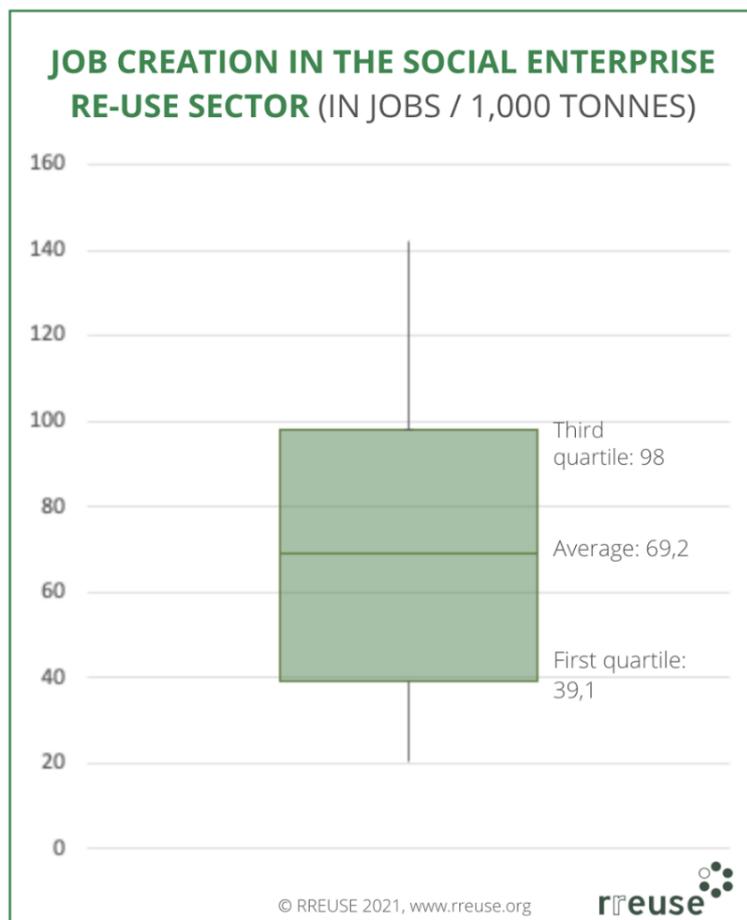
Several factors cause these fluctuations, including the labour intensity required by different products, workforce composition and policies facilitating or hampering work integration. The re-use potential of different products also greatly varies depending on logistics being used, on handling and storage of goods throughout the process from private households through to the re-use facility.

Market demands and other economic preconditions of re-use facilities, such as public funding and support⁸, can also play an important role. To illustrate the variations in job creation intensities, RREUSE will highlight job creation data across a selection of common re-use related activities its members are engaged in such as textiles, electronics and multi-household product re-use. These activities have

⁸ Several studies highlight that several products might actually have a higher re-use potential than current rates (see Messmann et al, 2019, available [here](#)). This potential is limited by low market demand driven by unfair competition with cheap, short-lasting products with negative social and environmental spillover effects, but also lack of support to support re-use operations from public authorities.

been chosen due to ongoing policy developments related to the EU’s Sustainable Product Policy Framework, including an EU Action Plan for Textiles and Circular Electronics Initiative. Specific examples of job creation in social enterprises across Europe will also be presented.

Different activities or product stream focus entail different realities in terms of logistics and policy environment, thus playing a significant role in the variety of job creation figures that will be presented. A number of re-use activity models carried out by social enterprises are unique from the perspective of value-chain partnerships and collection methods. In general, it is a highly diverse and highly labour intensive sector, involving a broad range of skills.



3.1. Multi household-product re-use

Many social enterprises working in the re-use sector handle multi-product streams including furniture, books, household goods, toys, bric-a-brac, and several other items. Such goods are usually handled in common spaces, with the aim to sell them as second-hand products in second-hand stores.

According to RREUSE’s member survey, 275,000 tonnes of multi-product goods were collected in 2019 by its wider social enterprise network, of which 111,000 tonnes were re-used locally.

Such products require cleaning, functional and quality checks, and sales management. Furniture in particular might also require dismantling and/or upcycling⁹.

In general, a social enterprise working on multi-product goods collection creates between 35 and 70 jobs¹⁰ per 1,000 tonnes collected with a view of being re-used. Job creation figures vary greatly depending on the variety of the items collected, the skills and composition of the workforce, or the logistics in place.



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BOX 1. DE KRINGWINKEL: A REFERENCE IN THE RE-USE SECTOR IN FLANDERS, BELGIUM

Created by Flemish social enterprises active in the re-use sector, [De Kringwinkel](#) is a Belgian brand striving to provide suitable jobs for those with little or no opportunities on the regular labour market. They collect a very wide range of pre-owned items such as furniture, clothes, books, electrical appliances and more. These goods are sold in 162 second-hand shops across the Flanders region in Belgium.

Thanks to its existence, De Kringwinkel generates added social value, both in terms of workers' reskilling and upskilling, and economic gains. This is because of a decrease in social spending and an increase of tax revenues for the region. It also brings environmental benefits: its activities mean the collection of 13,3 kg of material per inhabitant and save 74,055 tonnes of CO₂ emissions in the atmosphere.

In 2019, De Kringwinkel employed 5,828 people and collected 87,571 tonnes of products (of which 36,732 were re-used locally), and thus creating 66,5 jobs per 1,000 tonnes of products collected.

The source of these figures and more information about De Kringwinkel can be found [here](#).

⁹ Upcycling means transforming goods, by-products or waste material into new products. The process can create a completely new product or it can modify an already existing product and adjust or change its function.

¹⁰ Data from a national network monitoring multi-products re-use suggest that up to 66,2 jobs could be created per 1,000 tonnes collected. Similar data has been reported by social enterprises: Kringloop Zeist reported 35,2 jobs created / 1,000 tonnes processed, De Kringwinkel 66,5, and Het Goed in the Netherlands 35,2. In Wallonia, Ressourcerie La Fol / Fouille reported 50 jobs / 1,000 tonnes of goods collected.

3.2. Electric and Electronic Equipment

RREUSE’s wider social enterprise network collects around 305,000 tonnes of (Waste) Electrical and Electronic Equipment (WEEE), including different types of products such as small and large household appliances or IT and telecommunications equipment that are still re-usable.

Preparation for re-use¹¹ of WEEE, which entails collecting, transporting, storing, repairing and selling of electric/electronic machines, can create between 60 and 140 jobs per 1,000 tonnes collected with a view of being re-used, depending on the specific product, workforce composition and the available technology or growth in the technology market among other factors. For instance, job intensity per 1,000 tonnes is higher for ICT products¹² than for household appliances¹³ due to the relative difference in mass between product categories.



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BOX 2. REFURBISHING ICT: THE CASE OF AfB AUSTRIA

[AfB](#), a non-profit ICT company part of RREUSE’s wider network, stands for “work for people with disabilities” in German. It aims to bring about both social and environmental positive impact while offering high quality IT services and products.

In 2019, AfB Austria reported 58 employees, 50% of which are people with disabilities. AfB processed 420 tonnes of IT devices, for a total amount of 138,1 jobs created per 1,000 tonnes of material processed.

Despite the pandemic, AfB Austria recently reported a remarkable growth (+17%) of employees from 2019 to 2020, highlighting a great example of resilience in the social and circular economy.

The source of these figures and more information about AfB Austria can be found [here](#).

¹¹ Preparation for re-use means performing operations of control, cleaning and repair by which the products or their components that have become waste are prepared to be re-used without further heavy treatment.

¹² Les Ateliers du Bocage reported 63 people employed and 592 tonnes of ICT material processed, which yields 106,42 jobs created / 1,000 tonnes of material. Similarly, AfB Austria reported 138 jobs created / 1,000.

¹³ ENVIE, a RREUSE member with a strong focus on these products estimates that 200 electrical appliances renovated per year employs 1 person in work integration process. ENVIE Reims has created 1 job for every 93 processed electrical appliances since its foundation in 1994. The Dutch social enterprise Den Azalee reported 66,7 jobs / 1,000 tonnes of WEEE collected, most of it household appliances.

3.3. Textiles

RREUSE members collect around 255,000 tonnes of used textiles, of which 95,000 tonnes are sold second-hand locally, and 43,000 tonnes sold for second-hand for export. Used textiles require a broad range of skills and activities, including transport, quality checks, sorting, cleaning, ironing, storage, upcycling or sale. While most of these products are clothes, other textile products such as rugs or textile bags require adequate handling too.

According to RREUSE estimates, textiles can create between 20 and 35 jobs¹⁴ per 1,000 tonnes collected with a view of being re-used, and similarly, 1 job can be created for each 7 to 10 collection point containers. Key factors underlying this variation include the size and available technology of sorting centres and the composition of the workforce. Moreover, the ever-decreasing quality of fast fashion textiles has been proven to hamper re-use rates.

BOX 3. Solid'R: A QUALITY STANDARD PROMOTING JOB CREATION ACROSS EUROPE

Created and managed by Belgian RREUSE member [RESSOURCES](#), the Solid'R label certifies social economy actors collecting second-hand goods and adhering to ethical and social principles. The aim is to guarantee that purchased second-hand clothes positively impact the planet, local employment and solidarity. Forum Ethibel, an independent body, audits social enterprises according to the criteria.

According to the latest estimates by RESSOURCES, organisations operating under the label manage 6,000 collection points, and have collected and sorted 42,000 tonnes of textiles while creating 1,000 jobs, thus creating 23 jobs per 1,000 tonnes.

The source of these figures and more information about Solid'R can be found [here](#).



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¹⁴ Le Relais Est, a social enterprise focused on textiles re-use, reported 20,2 jobs created / 1,000 tonnes collected and valorised. Other estimates point to even higher figures: for instance, Tessuto Sociale (of which Insieme, a member of RREUSE, is part) reported 31,7 jobs / 1,000 tonnes, while Den Azalee reported 33,9.

4. METHODOLOGICAL OBSERVATIONS

RREUSE conducts annual member surveys to gain insight into the figures and to measure the performance of the network. This provides longitudinal and consistent data on job creation and other key issues. Beyond the systematic questions included in the annual member survey, several meetings with members of the network serve to shed light on monitoring systems and the collection of data from social enterprises of the re-use sector across Europe¹⁵. This exercise provided further internal consistency to the data of the annual RREUSE survey.

It must be once again noted that data reported in this briefing refers to *overall jobs created*. For instance, RREUSE does not include volunteers in its calculations, despite it providing many employment-related benefits, such as skills development and enhanced personal network. Furthermore, overall jobs created must not be confused with full-time equivalent (FTE) employment. This briefing examines overall job creation data rather than full-time equivalent employment, since overall job creation accounts for how many people received new opportunities in the labour market and it is thus a better proxy to measure the social impact of social enterprises¹⁶.

Despite the growth in number of jobs linked to the circular economy in the EU, further understanding on how the circular economy can provide quality jobs is needed. Indeed, current figures are mostly calculated at the initiative and cost to social enterprises themselves. In order to determine re-use and preparing for re-use targets on a pan-European scale, European institutions should have a better understanding of the social and economic impact of re-use, to ensure that mechanisms and programmes can support and fund data collection.

As a final reflection, a recent study based on Eurostat data found that 3,190,000 people in the EU are employed in the circular economy¹⁷. Given that the RREUSE wider network employs 88,500 people in Europe, this represents, albeit crudely, around 2,8% of the total circular economy work (4,5% of jobs created in vehicles repair and maintenance is excluded from the calculations as RREUSE is not active in this sector).

¹⁵ In the last briefing on the topic by RREUSE, data was extracted directly from national networks, which might water down the final figures since pooled data concentrates information from different activities.

¹⁶ Reporting on FTE figures is not as prevalent among members as employment contract data due to the nature of their activities. RREUSE's members mission is to provide job and training opportunities through re-use, so overall job creation is a more adequate indicator than FTE data. However, RREUSE will look at providing FTE insights in the future.

¹⁷ Llorente-González, L. J., & Vence, X. (2020). How labour-intensive is the circular economy? A policy-orientated structural analysis of the repair, reuse and recycling activities in the European Union. *Resources, Conservation and Recycling*, 162 (Available [here](#)).

5. CONCLUSIONS

This briefing provides data insights into job creation in the circular economy, notably through the re-use sector, based on the experience of social enterprises active in this field. Based on 5+ years of experience monitoring data through RREUSE's annual survey, these figures build upon RREUSE's wider network first-hand experience and expertise. In time, RREUSE will release more information on a wider variety of activities beyond those already presented.

In general, there is a need for more thorough and comprehensive collection of data that will only be possible with financial support from regional, national and European bodies and programmes. Such data will also be needed to implement targets in the circular economy domain, as well as monitor progress towards them.

6. POLICY RECOMMENDATIONS

The following is a non-exhaustive list of policy recommendations related to supporting job creation in the circular economy, notably the re-use sector:

- Provide greater public investment into data and research concerning the contribution of the circular economy to job creation, social impact, assessment of skill shortages and trends in employment
- Formalise and mainstream circular skills development programmes at national level
- Ensure that EU funding mechanisms such as ESF+ contribute to scaling-up the development of inclusive jobs, skills and innovative circular business models
- Support stronger guidance and leadership in the uptake of green and social clauses in procurement
- Ensure that tax regimes favour labour intensive services contributing to a circular economy e.g. reduced or zero percent VAT on labour costs associated with re-use and repair and the sale of second-hand goods
- Ensure that the re-use sector is encouraged and backed by ambitious waste prevention, re-use and preparation for re-use targets in EU and national waste laws with a view of supporting both environmental and social considerations
- Improve the quality of goods entering the EU market through reparability and durability requirements

Please visit [RREUSE's website](#) for more detailed recommendations, notably concerning upcoming [EU Social Economy Action Plan](#) and its synergies with the revised [EU Circular Economy Action Plan](#).

For more information, please contact Oscar Planells, Research Officer – oscar.planells@rreuse.org, www.rreuse.org