

New Vocational Ways and Qualifications
for Professionalisation in the Second-Hand Sector

Quali Pro ———
————— *Second Hand*



European report

An Investigation and Analysis
of the Second-Hand Sector in Europe

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1 Introduction and definition of the sector

For a number of years, the trade with used goods and recycling has been in the public spotlight. This development is due to different ecological, economic and social reasons. Nevertheless the processing of and the trade with second-hand merchandise is not a new phenomenon. Starting with the late Middle Ages up to modern times, for example, the trade with and the handling of used clothing in Germany has been clearly defined in terms of the kind of goods, the quantity of goods and an indication of the places where trade was permitted. In addition there were stipulations on the qualification and the properties of the merchants¹. These formerly established regulation systems disappeared over the centuries and finally became obsolete.

At present the Second-Hand market is hardly perceived as a sector of its own. Within the EU-countries the Second-Hand Sector does not really exist as a recognised industrial category. Today the sector is marked by very heterogeneous structures, little (uniform) information and a lack of transparency. The Leonardo-Project "QualiProSecondHand" pursues the aim to contribute to a professionalisation of the Second-Hand Sector by identifying possible approaches for new occupational paths and qualifications. The present report is a major part of the project and characterizes the "Second-Hand market" in Europe as comprehensively as possible based on national sector analyses prepared by the overall seven member states participating in the project: The United Kingdom, Finland, Austria, Belgium, Slovenia, Bulgaria, and Germany. Apart from information on the current and future need for qualification and employment, the report gives an overview of the structure and the characteristics, the economic development, the business fields and the training and qualification structures of the sector. The specific findings of the individual national sector analyses will be presented in a comparative and summarizing way.

Because of the heterogeneity of the Second-Hand sector it is more than essential to first focus on the definition of Second-Hand and its limitations in this project. In addition, it is also important to define the concepts such as *sale/retail* as well as *re-use and recycling* which are closely related to the concept of Second-Hand. The Second-Hand sector as the focus of the project "QualiProSecondHand" was delimited and defined (after consultations with all project partners) as follows:

The Second-Hand sector includes the commercial trade and the non-profit sale of a range of consumer goods of any kind as well as the main tasks involved such as the procurement of goods, their processing and the refeeding of the merchandise into the closed loop of goods with the aim to make the used goods available again for their original purpose of use. So the focus should be on the traditional trade of used consumer goods, which therefore excludes auction portals and companies as well as exchange markets. In order to avoid any overlapping with other sectors and to decide on a clear delineation with regard to the traded goods, capital goods as well as real estate, cars and antiques are exempted. The trade (e.g. the real estate market) with such goods represents partly a sector of its own or is covered by other sectors (e.g. automotive trade).

Besides the presented definitional delimitation of the Second-Hand sector within the framework of the Leonardo project "QualiProSecondHand", the flea markets were only taken into consideration to a very limited extent. Although flea markets traditionally play a very important role in the field of trade with used goods in many European countries, these markets could only be considered in this study as a platform for commercial traders² who either exclusively operate there or who make use of their flea market stalls as an additional sales opportunity apart from a shop or online sales and distribution.

¹ Reinhold Reiter (2003): Referat „altgewerker, lumpler, kannenplecker“; Tagung „Recycling in Geschichte und Gegenwart“, Bergakademie Freiberg / Sachsen.

² We would like to underline that only the male form will be used in this report in order to facilitate the readability. The female forms are part of these formulations

Moreover, there is a wide range of goods that meet this definition and fulfil the needs of the sector. So some Second-Hand goods are sold without any changes whereas others require modification, refurbishment and repair before they are fit for sale. To avoid misunderstandings the sector analysis is based on the definition and delimitation of the Second-Hand sector described above and according to determined criteria.

Delimitation Second-Hand of recycling and sales/retail

The terms **re-use** and **recycling** are not really clearly defined for everybody – at least not with regard to the consumers. Their meanings can vary considerably depending on what to stress. One reason for this variety of meanings is probably due to the Second-Hand sector’s relationship to many other sectors. For instance, concepts like “eco business”, sustainable development issues, car part sales or other recycling businesses are close to the Second-Hand sector. It is obvious that the Second-Hand sector is very multi-dimensional and that there is a variety of business concepts. Figure 1 shows the delimitation of terms: sales/retail, re-use, Second-Hand and recycling.

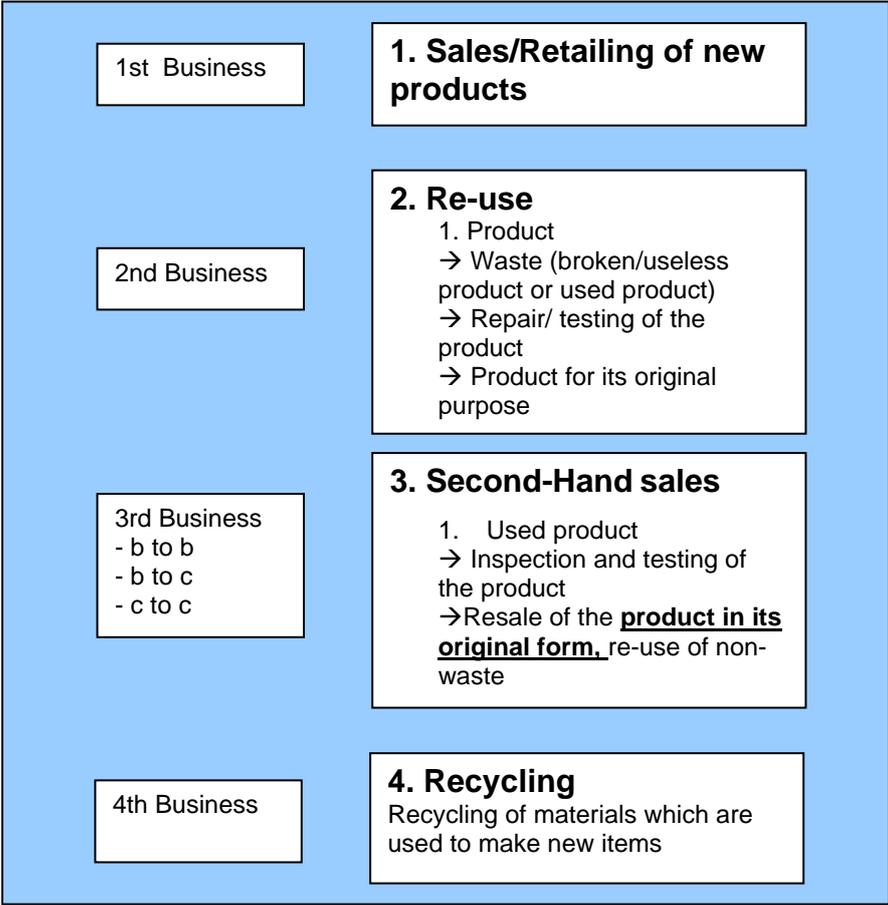


Figure 1: Delimitation of sales/retail, re-use, Second-Hand and recycling

Concepts like sales/retail, re-use, Second-Hand and recycling are defined and declared in relation to each other in different boxes in Figure 1. First there is of course sales/retail of products which is often called “first business” (Niukkanen, 5.1.2007). As soon as a product becomes waste and is repaired or reformed, the process is called *re-use*. According to Poikela (5.2.2007) and Virtanen (6.2.2007), however, re-use means that the goods are used again for their original purpose. *Recycling* means that the goods are fractionized or disassembled and that the materials are separated. It should also be kept in mind that *recycling* also means the recycling of materials, e.g. in terms of recycling of electronic appliances. The term *Second-Hand* in “professional language” applies in connection with *selling or buying of used goods in their original form*. Thus Second-Hand can also be called re-use of non-waste materials (Niukkanen 5.1.2007; Poikela 5.2.2007).

However, the “colloquial language” among consumers often applies the term recycling when actually meaning re-use or Second-Hand sales of textiles, electronic appliances, furniture etc. In this report we will adhere to the “official definition” of Wikipedia and will use the term *recycling* for materials. We will use the term *re-use* according to Poikela and Virtanen i.e. a used product that has become waste and is used again for its original purpose.

As already mentioned above, the present report is based on the findings of the national sector analyses carried through by the individual project partners. The surveys were closely oriented to the already formulated definitions and delimitation of the Second-Hand sector. On the one hand, the report should give a comparative overview of the European sector. On the other hand it should form the basis for further steps towards professionalisation and qualification of the Second-Hand sector. The specific findings of the individual sector analyses of the seven partner countries participating in this project represent the sources of the EU-report. We would like to stress that the gained information can only reflect a small section of the sectors in the respective countries and do not make a claim to be representative. The used data are exclusively based on qualitative survey methods (cf. Chapter 2 “Methodology”). In addition the information available in the participating countries is considerably differing in terms of quality and quantity. This information is often not exactly oriented to the sector – such as in the project, but only concentrates on parts of the sector or on more comprehensive areas. The present analysis of the entire sector aims at comparing the findings retrieved in the individual countries and is, however, subject to the above mentioned restrictions.

At first the sector analysis provides an overview of the institutional and economic structures and the characteristics of the sector in Europe (with examples from the participating partner countries). Information is provided e.g. on the number and size of the companies in Europe, on the markets of the sectors, the structures of merchandise acquisition and sales as well as the business fields and the employment structures and numbers. This characterization of the sector is followed by a forecast of the future economic development of the sector. Sales markets, turnover figures, customer structures as well as the development of the business fields will be closely looked at. In addition the expected changes of the work tasks of the persons employed in the sector are an important source of information for future qualification measures in the Second-Hand sector. The training as well as the training/ qualification structures of the sector also form important starting points for a professionalisation of the sector. Qualification structures and models, the contents of qualifications and the educational level of the persons employed in the sector will be shown as a summary at a European level.

2 Methodology

In order to analyse the work and employment structures within the Second-Hand sector, an educational scientific research design is applied. The objective of educational scientific research is to access the world of work within the sector in a way that proposals for the shaping of educational and professionalisation processes can be derived. The world of work and its changes thus are in the focus of all research. Existing cross-corporate structures (such as e.g. networks) as well as the companies operating in the sector with all their organisations and tasks, corporate processes, work processes, employment structures, innovations etc. are the central point of interest (cf. Spöttl 2001). With a view to the shaping of occupational educational processes it is highly relevant to not only access “work and technology at the level of general structures but also to include the knowledge incorporated in practical work” (Spöttl 200, p. 207). The knowledge, skills and abilities necessary for the coping of tasks must not be researched in an abstract way but in connection with the real existing business and work processes. Therefore the project “QualiProSecondHand” has applied a vocational educational scientific set of instruments made up of three elements – sector analysis, case studies and expert workshops.

The sector analysis is carried through against the backdrop of the project objective and based on the delimitation and/or definition of the Second-Hand sector as shown in the introduction. In order to get an exact reflection of the sector and employment structure, the

sector analysis is carried through according to previously determined criteria. In addition the comparability of the results of the sector analyses carried through at a national level in the individual project partner countries must be safeguarded. In a further step, the individual results are summarized in the present overall report. The following criteria were agreed upon for the characterization of the sector:

- General structure and characteristics (number of persons engaged, kinds of companies etc.),
- Economic development (trade, turnover etc.),
- Network structures and relationships between companies and/or individual company divisions (co operations, department stores etc.),
- Business fields (textiles, furniture, small electrical appliances etc.),
- Employment levels (management, foremen, instructor, full-time and part-time employees, handicapped persons etc.),
- Personnel development as well as employment behaviour and procedures,
- Change of tasks and its parameters,
- Role of the Social Partners and associations in the sector,
- Development of the sector and the companies (in the future) as well as innovations,
- Qualification strategies, initial and further training concepts (qualification models).

Based on the research criteria listed here and with the aid of the results of the survey, statements on the overall standing of the sector in Europe can be derived, on the strengths and weaknesses of the sector, the employment structures and development trends as well as the importance of individual business fields, possible approaches to and a need for qualification and other important aspects. The objective is a complete overview of the sector and its ranking within the European economy. Furthermore the sector analysis will help to identify the importance of the sector for the labour market and to find out which changes are triggered by innovations in the sector. In order to gain the desired information, a variety of different methods is applied:

- Interviews of key persons and experts of the Second-Hand sector (such as e.g. Board Members of associations, company management of Second-Hand companies in operation for a long period of time),
- Interviews with representatives of innovative companies in the sector (qualitative interviews),
- Analysis of publications in the field of the sector (articles, reports and newsletters),
- Analysis of innovative developments (new technologies, business fields or sales strategies),
- Evaluation of surveys by scientific institutes, associations, trade unions (research of literature, sources and the Internet, statistical data).

Apart from the analysis of literature and Internet sources as well as of sector specific statistical data and surveys, interviews with experts and Social Partners are carried through. The "face-to-face" interviews are open in order to consider the interviewees' opinions which would be jeopardized by an interview limited in terms of contents.

The access to the Second-Hand sector shown here allows a selection of companies and business fields which are to be closer looked at with the aid of case studies in the individual partner countries in order to get a detailed overview of the in-firm structures, the work processes, work tasks as well as the need for qualification and qualification strategies. The selection of the companies is done according to certain criteria (e.g. kind of company and business field) and is based on the results of the sector analysis. A co ordination with all

project partners and experts of the sector safeguards the comparability of the surveys between the partner countries. Furthermore the comparability of the case studies will be ensured by the applied method of guideline interviews. The interview guideline serves as an orientation for the interviewer and allows him to take a close look at the corporate work processes and to flexibly react to the statements of the interview partners. These semi-structured interviews are carried through on-site at the workplace and include work observations and visits to the companies. This is important to better allocate the work processes and work tasks and to better identify possible interrelationships. Information given in semi-structured specialist interviews can be checked and amended and rather subjective opinions may be relativized. Furthermore one person from different corporate business levels (management, instructor and/or foreman, general employee) was interviewed as representatives of the respective staff. Questions for the management were related to the company and its development whereas the target group of “instructors, foremen, employees” was asked to answer questions on the real work tasks within the company.

On the whole the case studies concentrated on the normal practice in small and medium-sized enterprises. Due to the numerous companies in the sector it was not intended to make a representative selection based on purely statistical facts. Moreover the aim was to get a qualitative overview of the sector and to avoid individual and random decisions beyond all rational argumentation. Above all those companies were selected which are really relevant for the survey and which have an innovative character corresponding to the objectives of the project.

The results of the case studies are documented according to a previously determined grid. This ensures that all relevant criteria to be scrutinized are taken into consideration. The corresponding documentation will encompass the following aspects:

- General description of the case,
- Description of the company (general indications on location, size etc., employment structures and their development, internal organisation, business fields, customer and supplier structure, quality management and certification),
- Company-related innovations (such as service offers, organisation and communication structures, innovations in corporate processes, consequences for the tasks of the employees and qualification),
- Qualification structures in the company (qualification strategy, initial and further in-firm training, changes in the qualification structure),
- Organisation and quality of work (work tasks on the shop-floor level, tools, methods and organisation of work, requirements for the employees, need for qualification and changes in the future).

The results as well as core statements of the individual case studies in in-firm structure, organisation and qualification of companies operating in the Second-Hand sector as well as the resulting conclusions are incorporated in the present report.

In order to derive consequences for the qualification concepts and modules from the results of the sector analyses and case studies as a basis of the present European report, the research design is amended by the instrument of expert workshops. With the aid of expert workshops and the cooperation of sector experts, the development of prospective qualifications and the further products of the project (guidelines for the development and a concept for the design of qualification concepts, qualification standards and a network design) will be designed and further developed in a sustainable way. This is realized with the aid of group discussions as well as problem-focused interviews. The selection of the experts is done according to the insights during the research phase and in cooperation with the project partners.

3 Institutional and economic structures and characteristics of the sector

The Second-Hand sector³ in Europe is very heterogeneous. The results of the surveys conducted in the different countries participating in the project show that there is hardly any official definition of the sector in the individual national economies – the same is true on European level. Therefore the sector is not clearly represented in the official statistics. A country-specific exact characterization and delimitation of the sector is thus very difficult. On European level a description of the structure is even more complex.

The European Second-Hand sector can be described as very multidimensional – in other words without strict limitations or any agreed standards. An exception is environmental issues also related to the Second-Hand sector. In this case most of the countries have clear legal stipulations. The size and structure of businesses involved in the Second-Hand-Sector vary enormously between the partner countries. The Second-Hand sector in Europe does not only encompass different business fields but also different business forms. All kinds of recycling businesses are often associated with the Second-Hand sector, and the sector is not very consistent. Chapter 3.1 shows examples of the results and categories applied by the individual countries in order to structurize and describe the sector.

An important and reasonable categorization with regard to the companies operating in the Second-Hand sector is a differentiation between profit and non-profit enterprises. This issue will be explicitly dealt with in Chapters 3.1.4 and 3.1.5. Furthermore the orientation of the company objectives on European level is always linked to a certain company structure allowing a characterisation and description.

In many European countries the transactions of private persons on the used car market play an important role. The volume of the turnover in terms of articles and finances is absolutely remarkable. The turnover is achieved via special used goods market places, numerous represented in the print media or in the Internet (e.g. e-bay). Flea market stalls also form part of this type of private trade with used goods. Within the framework of this survey, however, private activities will not be further investigated as they do not offer any direct approach for possible qualifications and a professionalisation.

3.1 Number, size and distribution of the Second-Hand enterprises in Europe

3.1.1 Company and sector structure in Europe

A quantitative total estimation of the number of Second-Hand enterprises in Europe is not possible as no clear and unanimous figures are available for the individual countries. Estimations and/or minimum assumptions are prevailing. In addition it has to be stressed that there are no statistical data available on European level on the number or turnover figures in terms of the trade with used goods. This kind of trade is still assigned to the retail trade and is not considered a separate branch. In spite of these restrictions and in order to get an overview of the country specific sector analysis, the results will be given below. As the country specific data come from different and non-comparable sources and as they are revisable only to a limited extent, the data make no claim to be complete but are just excerpts from the individual country specific analyses. The indicated data which partly only refer to individual fields in the partner countries can therefore only give a vague overview of the number of Second-Hand companies in Europe and are not representative. Based on the results of the country specific analysis it can be assumed that the Second-Hand sector can be regarded a sector of its own given the number of companies, the turnover as well as the numerous and diverse forms of companies compared to other economic sectors. Therefore the results of the individual country specific analyses will be shown as they help to underpin the size and the heterogeneity of the sector.

³ Throughout the present report, the Second-Hand sector always refers to the definition formulated in the Leonardo-Project described in Chapter 1.

According to the figures provided by the Statistisches Bundesamt (German Federal Statistical Office), the number and the turnover of taxable companies dealing with used goods increased from 4,519 (1,84 billion Deutschmark) in 1998 to 4,632 (1,1 billion Euro) in 2000. The Münster-based association of Second-Hand traders – “*Second-Hand vernetzt e.V.*” – has a membership of more than 6,000 Second-Hand companies. According to cautious estimations, however, the number of such companies is said to amount to at least 12,000 decently managed enterprises. The estimated number of unreported companies is likely to be considerably higher (*Second-Hand vernetzt e.V.*, 2007). Overall the German Second-Hand market is composed of privately owned companies and of companies assigned to the social economy. The Second-Hand trade in terms of social economy is often part of the business fields of the respective enterprises.

The data compiled in the United Kingdom speak a similar language as the German data. Statistical data are only available to a very limited extent. Apart from a non-specified number of privately managed Second-Hand shops, above all the numerous non-profit enterprises – the so-called charity shops, organised by different associations – make up for the most significant part of the sector. For example, the members of the Association of Charity Shops – formed in 1999 and now a major player in the UK Second-Hand market – range from the largest national charities to locally based hospices and run around 6,700 shops. Another example to underline the remarkable size of the Second-Hand sector in UK are the data on the collection of textiles. Over 250,000 tonnes of textiles are passed to the charity shops every year. Furthermore, public donations and door-to-door collections allow charity shops to collect approximately 15 million sacks of textiles and other goods from UK households every year.

A comparatively large, multi-dimensional and above all statistically surveyed Second-Hand market exists in Austria. A differentiation is mainly made between private enterprises and public charities. The country-specific sector analysis in Austria revealed that the private economy has problems to make a delimitation in terms of the range of products – as it was done in the project-specific definition of the Second-Hand sector – because the respective traders often deal with antiques, used merchandise and Second-Hand goods. Furthermore the survey in Austria showed that traders who also sell used goods as a smaller additional business field are not included in the statistics (cf. Figure 2). Nevertheless Figure 2 gives a good overview on the distribution of the Second-Hand enterprises in Austria.

Federal state	Inhabitants	Area (in km ²)	Junk Goods Shops	Second-Hand-Shops	Antique Traders	Total	Inhabitants per Shop
Burgenland	278,655	3,965	5	4	6	15	18,577
Carinthia	560,089	9,536	3	8	17	28	20,003
Lower Austria	1,575,291	19,178	39	29	61	129	12,212
Upper Austria	1,399,226	11,982	19	30	61	110	12,720
Salzburg	526,875	7,154	4	20	48	72	7,318
Styria	1,199,489	16,392	20	28	52	100	11,995
Tyrol	693,651	12,648	7	12	23	42	16,516
Vorarlberg	362,258	2,601	4	12	12	28	12,938
Vienna	1,637,772	415	56	72	143	271	6,043

Figure 2: Data concerning the Second-Hand market of the private sector in Austria (Source: www.HEROLD.at-Business Mercantile Directory)

Compared to the private economic Second-Hand market the Second-Hand market in the field of socio-economy reveals a considerably lower number of enterprises. Only a few organisations are operating across Austria. Instead this field encompasses above all smaller projects operating in just one federal state. In Austria, there are approximately 85 Second-Hand shops (cf. Figure 3) which finance their own economic quota through the trade with junk goods and thus provide temporary jobs in the fields of transport, sorting, processing and repair as well as sales.

Province	SH-Shops
Lower Austria	4
Upper Austria	19
Salzburg	10
Tyrol	10
Vorarlberg	5
Burgenland	2
Styria	8
Carinthia	5
Vienna	22
Total	85

Figure 3: Survey of socio-economic Second-Hand shops according to federal states; (Source: <http://www1.arbeiterkammer.at/einkaufsbuch.shtml> and <http://www.sozialprojekte.com>)

Apart from privately and socio-economically managed Second-Hand companies, there is one company in Vienna which is publicly managed as well as co operations between socio-economic companies and the public administration. The analysis in Austria has also shown that flea markets play an important role there. They are the market places for a lot of traders for the sale of their goods.

The analyses of the Finnish partners also show that the compiled data give only a limited view of the Second-Hand market in Finland. According to data provided by Statistics Finland – the biggest organisation setting up statistics in Finland – 1,258 persons were employed in 753 outlets (a company can have several outlets) in 2005. Altogether the turnover was € 77.417.000. It is also worth mentioning that these statistics exclude antiques as well as outdoor flea markets (indoor flea markets are included). A lot of sports clubs and other hobby-based organisations occasionally stage flea markets. They are, however, not included in this statistic because this activity does not count among main business areas of these institutions. Compared to the private market the social enterprises are still a small part of the Second-Hand sector. Approximately ten social companies are operating in the Second-Hand sector. Some of them have specialized in electronic and electrical equipment but few of them also sell textiles, toys, books and sound storage media (Sosiaalisten yritysten rekisteri, 2007). Furthermore it has to be underlined that there are a few big non-profit organisations in Finland also operating on the Second-Hand market (e.g. Red Cross Department Store Chain with several outlets).

With regard to the Belgian Second-Hand sector the national sector analysis shows that in comparison to the other countries the professional sector has historically been dominated by social enterprises whose mission is the integration of disadvantaged groups into the labour market. Nevertheless there is a total of around 650 shops in Belgium doing business with Second-Hand goods as a profit enterprise (most of them sell virtually everything). Beside various little shops a few franchising companies with a different number of shops are playing a major role in Belgium. The national sector analysis report of Belgium mentions five franchising networks with 2 to 27 individual shops. With regard to non-profit enterprises there are two big networks (KVK and RESSOURCES) in Belgium operating in different parts of the country. In order to get an overview of the size of these networks it may be stated that the

KVK, for example, runs about 100 shops whereas RESSOURCES manages 52 subsidiaries within their networks.

A comparison between the Second-Hand sectors of Northern and Western Europe and the Eastern European sector, the national sector analyses underpin that there are Second-Hand markets in Slovenia and Bulgaria albeit these markets are not very distinctive. Consequently the analyses in these countries were quite difficult. Thus, the sector analysis of Bulgaria shows that there is mainly a private Second-Hand sector and no non-profit or social enterprises dealing with Second-Hand goods. In the private sector, about 539 Second-Hand clothes shops, 611 Second-Hand computer shops, 109 Second-Hand furniture shops and 477 Second-Hand electric appliances shops have been registered in the Bulgarian business catalogue since 1998. Compared to the private Second-Hand sector, the social sector with non-profit enterprises is not very strong in Bulgaria. Mainly the Agencies for Social assistance as well as the Bulgarian Red Cross are operating there.

The least distinctive Second-Hand sector, however, was found in Slovenia. There are not many shops which are registered solely as Second-Hand shops if antiques and the automotive branch is excluded. The analysis has shown that there are altogether only five registered shops for profit. Besides the pure Second-Hand shops there is a variety of specialized stores dealing with Second-Hand goods in addition to their main businesses. These stores are divided into specialized and generalized stores that sell the whole range of goods. About 35 of these stores exist in Slovenia. Flea markets play an important role in the private sector of Slovenia. There are two major flea markets and specialized seasons' flea markets. With regard to the social or non-profit enterprises in the Second-Hand sector the analysis reveals that this sector is just emerging. There is just one organisation that collects and sells used goods, especially clothes. And only a few organisations like the Red Cross of Slovenia, Caritas, UNICEF etc. collect and distribute Second-Hand goods among people in need and for free.

The results show that there are clear differences between the countries in terms of the quantitative performance. It is remarkable that above all in the Eastern European countries the Second-Hand sector is just emerging and growing and not yet very distinctive. Furthermore the number of enterprises in the individual partner countries clearly underline that the Second-Hand sector as a whole is very multi-dimensional and heterogeneous. The number of companies active in the fields of profit and non-profit is strongly differing from country to country. Due to the partly very vague indications on the number of enterprises, it is impossible to make concrete statements on the ratio between the number of enterprises and the number of inhabitants. It may, however, be assumed that Slovenia is last in this ranking.

3.1.2 Regional distribution of the enterprises within the European countries

With regard to the distribution of the Second-Hand companies within the European countries, geographical aspects play an important role. In all participating countries the number of Second-Hand offers is higher in cities and areas with a high population density than in rural regions. The reasons for this may be the higher number of inhabitants in the cities and even a higher acceptance of used goods compared to rural regions. Above all two parallel trends can be observed in municipal areas. On the one hand the trend towards the purchase of used goods is increasing due to the worsening economic situation of many private households. On the other hand there is a big community (above all younger people) who consider Second-Hand items as "trendy" and modern. Compared to municipal areas, the rural population is rather reluctant to use Second-Hand goods or even rejects them completely.

The trend towards a considerably higher concentration of companies in the cities is above all reflected by the data compiled in countries such as Finland and Austria. There is, for example, one Second-Hand enterprise for 9,356 inhabitants in Austria (both profit and non-profit companies). The density is considerably lower in individual federal states – between 10,978 in Vorarlberg and up to 16,972 in Carinthia – than in big cities such as Salzburg (6,425) and Vienna (5,590). The density in municipal areas is thus almost twice as high as in

other federal states with a lower number of inhabitants per square meter than in the two big cities named here.

Another impressive example is revealed by the Finnish analysis. In Finland the dimensions have been divided into *urban environment* and *countryside*, *northern* and *southern* in order to look at the differences under a geographical aspect. The first dimensional differences can be seen between *urban environment* and *countryside*. Second-Hand shops in Finland are more developed in urban environments than in the countryside. There are also some differences between *Southern Finland* and *Northern Finland*. In Northern Finland it is not very profitable to practise a Second-Hand business because of the volume differences and transportation distances compared to Southern Finland. There are also more Second-Hand shops in Southern and Western Finland than in Eastern and Northern Finland. Figure 4 illustrates the differentiation of the Finnish Second-Hand sector in different fields and in terms of geography.

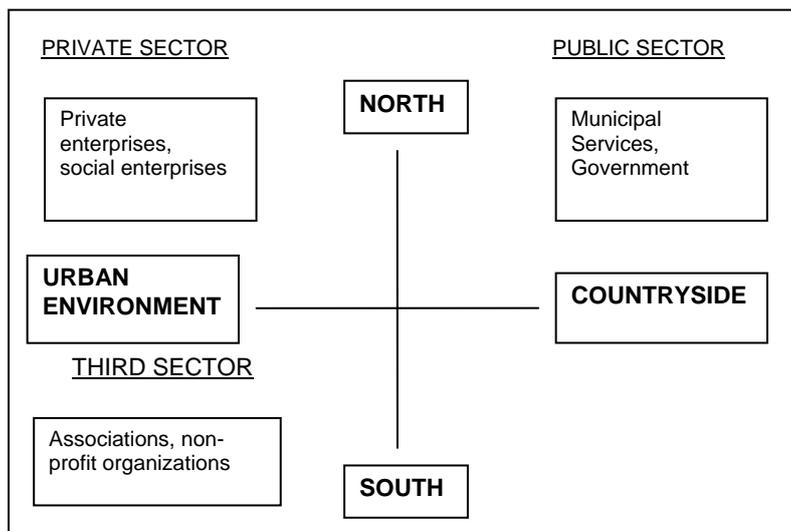


Figure 4: Illustration of the field of the Second-Hand Sector in Finland

A look at the regional distribution of Second-Hand shops (Finland Statistics, 2006) shows that 399 out of 895 Second-Hand shops are located in the county of Southern Finland and 337 in the county of Western Finland. In the county of Eastern Finland there are 89 Second-Hand shops and in the two counties of Oulu and Lappland there are only 78 Second-Hand shops. It can be seen that the Second-Hand trade is more focused on Southern and Western Finland. The division is quite natural because the majority of Finland's population is living in the southern parts of Finland.

3.1.3 Size and forms of the enterprises in Europe

The Second-Hand Sector is a particularly diverse industrial sector comprising a wide range of products and services covered by individual sellers, charities, enterprises and multinationals. The Second-Hand market is fundamentally part of the retail market where goods are sold for re-use.

On European level, the smallest form of organisation in the private Second-Hand-Sector is the retail business managed by the owner. This kind of company is most widespread in all partner countries and has only a small number of employees. As for Austria it can be noted that the majority of the privately operating retail businesses has less than 10 employees. In Germany around 60 per cent of the privately operated companies employ up to 6 employees with a turnover of around € 1 Million in 2005 (Compared to this, only 4 per cent of the German enterprises employ more than 60 persons and have an average turnover of €5 million). In Finland companies with an average of 1 to 2 persons engaged are the average. Apart from a few exceptions, the private companies in Slovenia and/or Bulgaria are

managed by the owner or by families. This indicates that the employment figures are also quite low.

At this point we would like to stress that the indicated data are mainly estimations by experts and that there are no concrete statistics available for the different forms of enterprises. It is, however, clearly visible that the majority of the companies are typically very small. Furthermore it should be underlined that companies that are managed by the owner and just employ a few persons (maximum 1 to 10 employees) mainly offer a comprehensive and unstable, random and comparatively unspecific range of goods without regulated product lines as the owners depend on the goods on offer. These enterprises often have no regulated orientation towards product lines and only operate very limited merchandise management systems.

Apart from a variety of small enterprises in the European Second-Hand sector there is a number of companies organised as concerns or subsidiaries. The sector analysis revealed that these companies often pursue a product line philosophy and/ or a purchase and sales strategy. This often includes a quality management system (QMS), a merchandise management system (MMS) and certain concepts for the development of the enterprise. Between these two poles a variety of company sizes, business field orientations and forms of organisation can be found albeit to a much lesser amount than the numerous smaller retail businesses. This variety of organisational forms could not be identified in all participating European countries. In Germany, for example, there are not only pure retail businesses (and/or partly specialized retail shops for Second-Hand merchandise) on the privately operating market but also limited companies (*GmbH*), retail commissioners and franchisers. In Austria there are limited companies and limited partnerships (*Kommanditgesellschaft*), in Belgium there are also franchisers and in the UK big charity organisations, in Slovenia there are retail commissioners. In Finland the market is dominated by smaller and only some of the medium-sized companies. In Slovenia and Bulgaria, no bigger companies acting like concerns or running several subsidiaries could be identified. Compared to the other countries, the Belgian structure has revealed special features. The country shows a very well organized Second-Hand market: Apart from various little shops scattered throughout the country, the Second-Hand market is mainly organized in big networks and/or in the form of franchising companies.

Apart from the variety of operational profit-oriented companies that can mainly be found in the private sector, all countries – with the exception of Bulgaria – have non-profit companies. A great number of these companies can be assigned to the socio-economic sector. These companies are mainly organised in networks and/or belong to big and partly international organisations. Nevertheless there are individual enterprises (such as e.g. special department stores) that are non-profit enterprises. These are mainly non-profit companies or associations operating with Second-Hand goods for charitable reasons.

Figure 5 gives an overview of the discussed different forms of operations in the Second-Hand sector in Europe and their operational orientation and specialities. Furthermore it should be underlined that a detailed differentiation between the two different operational orientations “profit” and “non-profit” will be dealt with in Chapters 3.1.1 and 3.1.2. Chapter 3.1.3 will take a closer look to the market orientation according to “international, national and regional markets”.

Organisational form		Sales and storage areas	Kind of acquisition	Business field and/or product range	Use of instruments for the control of corporate processes (e.g. MMS)	Instruments for strategic company development	Number of employees
Retail company with showroom operated by the owner	Profit oriented	Relatively small, up to around 100 m ²	Above all acquisition from private sources; partly from traders; clearing out	a) unspecific, comprehensible, unstable b) specialized (children's items, books, antiques etc.)	No or very limited use	Exclusively commercial experience	Operated by owner (mostly 1 or 2 persons engaged)
Department store for used goods	Profit or non-profit	Several hundred m ² of space	Donations or purchase and/or goods on consignment) dependent on profit or non-profit orientation	Great variety of offer, relatively stable, mostly the entire range according to the definition of the sector	Controlled strategy, mostly in a professional way, no always completely computer-aided	Business plan, partly QMS, marketing, representing a quarter of the city	2 to 50
Goods on consignment	Profit oriented	Large spaces, halls	Exclusively goods on consignment from private persons	Different according to location and variable in terms of accepted goods	Organised in a professional way	Business plan, QMS, Marketing	3 to 5 per location, considerably more in terms of groups and subsidiaries
Franchise company and subsidiaries	Profit oriented	Above all large spaces	Donations, purchase, clearing out, goods on consignment	Different according to location	Organised in a very professional way	Business plan with an expansion strategy, controlling and QMS	3 to 5 per location and sometimes subsidized employees
Collecting points and handover warehouses	Charitable (municipality or charity)	Differs very strongly	Exclusively donations	According to location (improvised)	No or very limited use	none; very little efficiency	partly a lot of subsidized employees
Wholesaler and/or vendor	Profit oriented	Differs very strongly	Purchase and/or collection on a large scale	Mainly sorters of textiles exporters	Professional logistics planning	Business plan	Depending on profit or non-profit

Figure 5: Overview of the forms of companies in the European Second-Hand Sector

3.1.4 Structure of the non- profit (social) enterprises

As the definition of profit and non-profit (social) enterprises is rather different in the European countries, both kinds of companies will be dealt with separately. The two kinds of companies are often structured and organised in a completely different way. While profit enterprises principally work as cash converters or depots for items that owners wish to sell, non-profit enterprises are collecting material for free and invest the money generated by the sale to create further job opportunities or to consolidate existing ones.

Prior to a further characterization of the two forms of enterprises, the definition of non-profit enterprises as a basis of the project QualiProSecondHand will be further explained. A company in the narrower sense is a unit performing an economic or charity task activity regardless of the respective legal form of the company. Non-profit enterprises are organisations acting freely and charitably or privately and economically. In addition to the state and the market, these companies take over specific tasks of acquisition, promotion and/or representation of interests/ influence for their members (self-help) or for third parties. They do not pursue commercial (profit) interests but serve the charitable, social, cultural or scientific objectives of their members. This has been laid down in a charter and is generally approved within the framework of a recognition process at the time of the application for the status of public utility. The project QualiProSecondHand makes use of the description of a non-profit company for those enterprises which are recognized as charitable companies in the respective European country. Non-profit enterprises thus encompass

- *companies pursuing charitable, beneficent or parochial purposes, i.e. the activities must be aimed at supporting the public on a material, mental or ethical level in an altruistic, exclusive and immediate way.*

As societies, associations, self-managed bodies, charitable societies (gGmbH or gAG), cooperatives or foundations, the board of managers may be elected or – for example in the case of foundations – certain persons or institutions may be appointed. The non-profit enterprises finance their services via membership fees, donations, allowances and/or prices and fees. Any surpluses may not be directly distributed as return on capital to members/ institutions. A certain amount of reimbursement in relation to the rendered performance is, however, possible⁴.

Above all in the field of social work/ support for handicapped people there is a variety of organisations pursuing different charitable purposes for different motives. The non-profit enterprises in the Second Hand Sector are often

- *social enterprises or employment companies creating work, employment and qualification for handicapped people, disadvantaged persons or other target groups of the labour market policy. The companies are either employment institutions offering qualification and a temporary employment or integration companies which are already assigned to the general labour market by the legislator.*

Even if a uniform assignment at European level is difficult due to the country specific characteristics it is nevertheless necessary to agree upon a common definition as a basis for the shared work within the project. This is crucial for comparisons and for the identification of uniform work processes (within the framework of continuative research). The following chapters give an overview of the possible national characteristics of non-profit enterprises operating in the Second-Hand sector.

With regard to the non-profit enterprises the Finnish model is outstanding because it differs from other European countries in the form that social enterprises operate like normal enterprises. It is also interesting because the modified Act on Social Enterprises came into force in the beginning of May 2007 (Työministeriö, 2007). Finnish social enterprises – like all other profit enterprises – are paying normal wages to their employees. The only difference is that they have to employ 30% disabled or long-term unemployed persons. Social enterprises

⁴ vgl. <http://de.wikipedia.org/wiki/Non-Profit-Organisation> (06.12.2007)

may also get wage subsidies and subsidies for the arrangement of working conditions from the government if they hire disabled or long-term unemployed people (Sosiaalinen yritys, 2007). In Finland, the “social enterprises” are thus not covered by the classical definition of non-profit enterprises. Nevertheless the project QualiProSecondHand and the present report will generally include these enterprises in the field of non-profit enterprises as they reveal many parallels (e.g. with regard to their employment structure, organisation, corporate structures) to non-profit enterprises as such.

Generally as far Second-Hand activities are concerned, most of the material has historically been collected by non-profit enterprises which have been pioneering the sector in many European countries. The main activities are collection, recycling and re-use of waste. In many European countries due to a low return on capital and to the labour intensive nature of Second-Hand activities, the professional Second-Hand Sector has historically been dominated by non-profit enterprises whose mission is the reintegration of disadvantaged groups in the labour market. The non-profit enterprises are much more focused on the human capital and on the environment as a first alternative to “money”. The non-profit enterprises make use of the Second-Hand sector above all as a business field with a cost-effective purchasing opportunity and in order to create work places.

With the exception of Bulgaria, there are registered non-profit (social) enterprises in all participating European countries. No non-profit enterprises are registered in the Bulgarian Second-Hand sector. In their national sector analysis report, the Bulgarian project partners indicate that the state does not have enough financial means to support the activities of the non-profit enterprises. The only non-profit organisation in Bulgaria dealing with Second-Hand goods is the Bulgarian Red Cross. This organisation, however, does only play a subordinate role with regard to the Second-Hand sector within the framework of this analysis. The social and non-profit enterprises in Slovenia do not play an important role either. There are some charity organisations (such as the Red Cross of Slovenia, Caritas, UNICEF) operating in the Second-Hand sector. There are, however, not the kinds of non-profit enterprises as defined within the framework of this analysis. In this aspect the sector is still at its very beginning.

Furthermore the national sector analyses have revealed that there are more non-profit (social) enterprises than profit enterprises in Finland and the United Kingdom. The ratio in Austria, Belgium and Germany is the other way round: Compared to the total number of enterprises, the number of non-profit enterprises is lower than the number of profit enterprises. Nevertheless the employment figures of the non-profit enterprises are often much higher – due to (direct or indirect) state subsidies – compared to profit enterprises.

A comparison of the national sector analysis in the partner countries underlines that the UK has a special status with regard to the importance, the number and the organisation of the non-profit Second-Hand enterprises in the sector. In the UK charity shops make up a significant part of the sector. The charity shop principle is based on the re-use of items and it is estimated that well over 250,000 tonnes of textiles (clothes and other fabric items) pass through charity shops every year. These items are either being re-used or recycled. A recent development sees some charity shops dealing in specialist products selling such goods as CDs, videos, toys, furniture, bric-a-brac, bridal wear and electrical items. In order to give an overview of the size and the structure of these companies who compared to the other partner countries mostly employ volunteers, four of the most important enterprises will be presented in the following as an example:

Oxfam

As a charity Oxfam is one of biggest Second-Hand retailers in the UK. It has 750 shops across the UK, with around 20,000 volunteers, selling Second-Hand items. Included in this are 100 specialised shops selling books, music, bridal wear and furniture. Oxfam has its own online book site. It is Europe’s biggest retailer in this field selling approximately 11 million books a year.

Remploy

Remploy is the leading provider of jobs for the disabled people. It helps people with disabilities secure employment and also employs disabled workers in a wide variety of jobs. It is a non-departmental public body and receives an annual government grant of £ 111 million. It has several strands to its business: Recycling, furniture, health care, household and toiletries, managed services. The recycling branch is the only one in the Second-Hand sector and takes Second-Hand domestic appliances, refurbishes them for re-use, and where not practicable undertakes materials reclamation. They refer to it as their one stop shop for recycling and refurbishment of electrical and electronic goods in accordance with the WEEE Directive.

Local Cancer Charities

The two organisations are similar, small local charities approximately 15 miles apart. They are voluntary organisations limited by guarantee. They have less than 10 employees, but the workforce is supplemented by unpaid volunteers. The main aims of the organisations are to provide care for people diagnosed with the cancer. The goods sold are mainly clothes, books, musical items, DVDs, bric-à-brac and toys (must have a kitemark). No electrical items are sold. Any unsold goods are recycled for a small payment. The organisations have seen a significant growth in the sale of Second-Hand goods over the last few years.

Hay-on-Wye Bookstores / Blaenavon Booktown

Hay-on-Wye is a small town situated in a rural setting on the Wales/England border. It now specialises in the sale of Second-Hand books, and has 39 independent bookshops, selling both general and specialist books. It has become noted for its annual book festival. With the exception of those bookshops forming part of a chain of shops, there were invariably less than 10 staff in the organisation (often less than five) with many shops being sole traders. Only a minority belonged to federations or professional bodies.

The standing of the non-profit Second-Hand enterprises in the UK reflects a specific development of the country and is traditionally anchored. With regard to the typical structures and objectives of non-profit enterprises in Europe, UK companies can only be applied in a limited way.

A comparison of the results shows that as soon as there is a distinct structure of non-profit enterprises, the latter are often organised and networked in a more professional way than most of the profit enterprises. A prime example for networking and organisation are the Second-Hand companies in Belgium:

The social enterprises in Belgium are federated in two big networks. One of them will be shown here exemplarily: The most important, KVK, is a re-use network in the region of Flanders. The company collects, sorts and resells discarded products to stimulate both the re-use of goods as well as to create job opportunities for people in need. There are 33 re-use centres with their own legal status. Most of them have several 100 shops plus 8 electronic and electrical equipment re-use centres (refurbishment) which cover the entire Flemish region. The mission is to proactively contribute to the realisation of the sector's goals: i.e. the re-use of goods in order to extend their life-time and reduce the burden of waste on the environment, and the provision of employment to low-skilled and long-term unemployed. All goods are donated and are collected by KVK members upon telephone calls. The shops process all sort of items including textiles. The turnover in Figure 6 gives an impression on the importance and considerable size of the KVK network. In 2005, the turnover of the shops amounted to € 19,9 million. Approximately 2,6 million customers visited the KVK shops in 2005 buying mainly furniture, clothes, household tools, books, CDs and toys, electrical and electronic household appliances, etc.



Figure 6: The turnover of KVK shops in Belgium

Compared to the non-profit enterprises and their structures in the UK and in Belgium, there are around 85 Second-Hand shops in Austria. They are financed by their trade with used goods and thus create temporary employment in the field of transportation, sorting, refurbishing, and repair as well as sales. Apart from these non-profit enterprises, also Austria's public administration operates in this field. Within the framework of this analysis, however, only one example could be identified in Vienna – the “48er Basar”: The Magistrates Department No. 48 of the City of Vienna is responsible for the communal waste economy, the street cleaning and the fleet of vehicles. Since 1989, the department has been running a flea market in a Viennese neighbourhood. This market is fed by well-preserved products brought to the 19 Viennese recycling centres or centres for the collection of used goods. Furthermore three co operations of social-economic companies with the public administration could be identified.

In Finland the social and the non-profit enterprises have to be dealt with separately due to the Finnish understanding of non-profit enterprises. There are a couple of big non-profit organisations like UFF, Red Cross Department Store Chain, Salvation Army flea markets and recycling centres which are bigger organisations. They have big business volumes and they are also important employers, because some of the non-profit enterprises operating in the Finnish Second-Hand sector employ disabled and long-term unemployed people. The social enterprises in Finland are still a small part of the Second-Hand sector: Approximately 10 social enterprises are operating in the Second-Hand sector. Some of them have specialized in waste of electronic and electrical equipment but few of them also sell textiles, toys, books and sound storage media (Sosiaalisten yritysten rekisteri, 2007). These social enterprises are typically small enterprises, especially those who have registered in the last two years.

A final look at the Second-Hand Sector in Germany reveals that there are both profit oriented and non-profit enterprise in the field of social economy. The orientation depends on the objectives and the tasks of the respective enterprises or institutions behind them. The bigger part of the non-profit enterprises in Germany is companies which apart from the trade with Second-Hand goods also take over other social tasks. Similar to other countries their main objective is the re-integration of disadvantaged persons and long-term unemployed into the labour market. Similar to all other countries, big organisations such as the Red Cross, Caritas etc. are operating on the German Second-Hand market as well.

3.1.5 Structure of the profit enterprises

The term profit enterprises within the project QualiProSecondHand means enterprises operating in a free economy (market economy) whose objectives – compared to the public utility companies – are the generation of profit and a profit maximisation.

Profit enterprises dominate the Second-Hand sector in most of the European countries participating in the project in terms of the number of companies active in sector. This is true for Austria, Bulgaria, Germany, Slovenia, and Belgium. Nevertheless the employment figures rank below those of the non-profit enterprises (cf. Chapter 3.1.4). The objective of the generation of profit of the profit enterprises demands another structure and organisation than required for non-profit enterprises. On European level there are a lot of individual companies run by their owners. These companies are small sized (only a few employees) and reveal a lesser degree of professionalisation and networking compared to the non-profit enterprises (with the exception of Belgium). Apart from numerous smaller stores there are also a small number of bigger profit oriented Second-Hand department stores in Germany. They mostly employ up to 10 persons and deal with the entire Second-Hand range of products.

In Finland typical Second-Hand shops are characterized by the fact that they are generally privately owned enterprises selling books or CDs/ LPs or textiles as well as other items such as electrical appliances. Many interviewees noted that in the Second-Hand Sector most of the enterprises are small – some are medium sized. This trend can also be seen in other partner countries of the project. The profit enterprises there are also very prevalent and only employ a limited number of persons. The fact that the Second-Hand sector is not very present in Great Britain's private economy is due to the numerous big organisations (cf. Chapter 3.1.4) dominating the market with their great number of stores.

The trend towards smaller and some medium-sized enterprises could also be observed in the other partner countries. Certainly this trend is different in the participating countries and is varying with regard to the national (total) standing of the sector. In addition, the field of profit Second-Hand enterprises also encompasses highly professionalized company consortia or organisations. Although a minority, these enterprises make up for a significant part of the sector in terms of turnover figures. The Belgian Second-Hand sector shows an outstanding professionalization of the structures of non-profit enterprises and their networking.

In Belgium the presence of traditional business has less to do with re-use than with the profitability of a dynamic Second-Hand market. Thus traditional enterprises are clustered around a few of major franchising enterprises apart from various little shops scattered throughout the country. The profit Second-Hand Sector is thus represented by networks like Eco-shop (16 shops), Troc-International (27 shops), Troc (22 shops) Cash Converter (15 shops) and Deporama (2 shops). Three of them will be presented below as an example and explanation of the structure of this kind of company,:

Eco-Shop

The ECO-Shop network covers some cities in Flanders. It is composed of 16 Second-Hand shops developed around a franchising scheme. These shops are buyers and re-sellers of a broad variety of Second-Hand goods (excluding textiles). Sellers need to become a member of the network. This does not apply to buyers. There is a strong brand identification. Shops are rather big in size.

Troc International

Troc International was launched in Belgium in 1996. It is based on a franchiser network with the same characteristics as Eco-Shops. The size of the shop is also rather big. This is due to the fact that the shops sell a lot of furniture which represent 80% of their total sales figures. In general they do not sell clothing. Each shop employs five to six people on average. At present there are 27 Troc-International shops in Belgium. This represents a turnover of approximately 24 million €.

Cash Converter

Cash converter is a place where people go when they want to get money quickly for the item they want to get rid of. The shops buy at the price of the items and re-sell the products at a price set by the company. The shops principally specialised in consumer electronics, instruments, tools, sports equipment and generally do not deal with furniture or clothing. The size of these shops is rather small compared to Troc-International outlets. Presently there are 15 Cash Converter shops in Belgium but the network is quite new and it is growing fast. It claims to have received 1,7 million clients in 2004 with 700,000 articles sold at a turnover of 13.5 million € and the number is growing. Overall the enterprise employs around 90 people. The company is particularly present in the Brussels region and in Wallonia.

As opposed to the well the organized networks in Belgium no comparable structures could be identified in countries like Bulgaria or Slovenia. In Bulgaria the most common form of private organization in the Second-Hand Sector are small family enterprises. Only a few of them – around 13 % - are registered business units. Small family enterprises employ a minimum number of persons for their business operations. Quite often these employees are members of the family. That is why the average listed number of employees in the Second-Hand Sector is small – it varies from 3 to 5 persons in 87 % of the enterprises.

As for Slovenia it could be stated that the Second-Hand sector is least developed compared to the partner countries. There are many Second-Hand shops, if antiques and items of the automotive industry are included. As it was discovered more Second-Hand shops are registered in official data bases than actually operating in this field. At the time when study cases have been prepared the researchers could identify only a few of these shops. One is selling used furniture and four of them are dealing with Second-Hand clothing. In Ljubljana there are three stores dealing with Second-Hand clothes. Two of the shops sell everything they get from their suppliers. The third shop is a Second-Hand shop for children's toys, equipment and clothes.

As a summary it may be stated that with the increasing size of the enterprises – regardless of whether they are profit or non-profit oriented – a trend towards higher professionalisation and networking is clearly visible. The European differences above all manifest themselves in the differences identified in Western and Eastern European countries. Whereas different company sizes and structures could be identified in Western Europe and above all in Belgium, hardly any big enterprises or company consortiums/ networks could be found in Bulgaria and Slovenia. The structure of the sector and/or of the companies in Eastern Europe is the reason for the fact that the degree of professionalisation is lower than e.g. in Belgium where a great number of Second-Hand enterprises are also organised in big networks. Even if these differences between the East and the West are obvious it is worth mentioning that these are just trends which are also visible in the corporate structures of profit-enterprises in the Western European and Eastern European Member States.

3.1.6 International, national and regional Second-Hand markets

The Second-Hand market in Europe is mostly oriented locally or regionally, within sectors (only with regard to some bigger enterprises or organisations) but also nationally and internationally. The local and regional markets form the major part of the sector and encompass the already described smaller and medium-sized shops with their variety of offered consumer goods or recycling centres as well as regional projects. Above all with respect to furniture and computer hardware items, the markets are partly cross-regionally and nationally developed in terms of sales organisation.

Apart from this there are areas for the exchange of goods and spare parts within a European framework (e.g. spare parts networks for electrical and electrical appliances, clothing). In the field of electrical appliances there is a great demand above all in the middle and Eastern European countries. In Bulgaria, for example, 97% of the goods of the Second-Hand market are imported. Nevertheless the market does not seem to be well structured at the moment.

In most of the European countries some big organisations (e.g. Volkshilfe, Caritas, Humana, the country specific Red Cross organisations, Sims, UNICEF) are also operating on an international level. The collection and the export of textiles by private and public utility institutions or wholesalers to African and Asian countries play a special and not always undisputed role. This market seems to be well organized. Donation campaigns for example are organized mainly on a central level and encompass the entire country.

3.2 Legal forms and company organisation

3.2.1 Legal form

As the legal forms are subjects to country specific regulations, only a few of the legal forms will be named here which according to their character are typical for European Second-Hand companies⁵. The majority of Europe's Second-Hand enterprises are run by their owners or are civil law associations (Gesellschaft bürgerlichen Rechts – GbR) or a registered as limited liability companies (Gesellschaft mit beschränkter Haftung – GmbH). The explanations of the different legal forms are taken from the German legal system and serve as an example. It must, however, be underlined that the legal systems and framework conditions vary among the individual countries.

The characteristics of individual enterprises are as follows⁶:

- The companies are run by natural persons (contrary to a society)
- These persons are solely responsible for the raising of the capital
- They bear the complete risk for possible losses
- They are individually liable with their private property

Companies with limited liability (GmbH) have the advantage that only the company is liable for all its liabilities. The associates of the company only have to deposit their capital invested in the company. Contrary to individual entrepreneurs, they are not liable with their private property.

The limited partnership (Kommanditgesellschaft – KG) is another legal form for private economic enterprises. This is a commercial partnership with two kinds of associates/partners: One: the so-called partner with unlimited liability who is liable with his or her entire private property; Two: the so-called partner liable for a fixed amount who is only liable up to the sum of money determined at his or her entry into the firm.

Companies that have developed from social projects such as e.g. collection points and/or dispensaries can operate within the framework of registered associations and/or public companies with limited liability. The foundation of a public utility association requires that seven natural or legal persons join forces in a permanent organisation which bears a common name and pursues a common goal. The association must not be profit-oriented. Furthermore it has to be underlined that the amendment „public utility or charity“ only refers to the orientation of the association. Ideal associations, on the other hand, can be profit-oriented (privilege of secondary aim) and may draw profits as long as these funds are again used to pursue the ideal purposes of the ideal associations and as long as the economic aspect is subordinate. The liability of an association to its creditors resulting from an economic activity only concerns the association funds and not the association organs and their private properties. However, an association is subject to the trade law due to its commercial activities⁷.

Another legal form is a charitable company with limited liabilities (gemeinnützige GmbH – gGmbH). It is thus basically subject to the legal stipulations for companies with limited liabilities. The use of the small letter “g” (for “gemeinnützig” – charitable) is a legal specialty which (contrary to the usual commercial activities of a GmbH) underlines the charitable

⁵ Certainly the denomination of the legal forms differ in the participating countries.

⁶ <http://www.help.gv.at>

⁷ <http://wko.at/wknoe/rp/vereinalsunternehmer.pdf>

activities of the gGmbH. A special form of enterprise does not apply. The profits of a gGmbH are comprehensively confined. These funds may only be distributed among the partners to a very limited extent. If the charter and the actual management correspond to the requirements of the public utility legislation, the gGmbH is partly or even completely exempt from taxes in some countries⁸.

The above mentioned legal forms describe basic kinds of Second-Hand enterprises in Europe whereas the titles vary in the individual countries. No detailed and quantitative information on the distribution of the existing enterprises according to their legal form is available for most of the countries. Figure 7 shows the data for Austria and gives an idea of an exemplary distribution.

Austria	
Legal forms	Number
Individual companies	508
Companies with limited liabilities - GmbH	20 (29 % thereof with 1 associate), 64 % 2 to 4 associates 6 % 5 to 10 associates and 1% more than 10 associates)
Limited partnerships - KG	14
Charitable association	59
Charitable companies with limited liabilities - gGmbH	10

Figure 7: Quantitative data on the legal forms of Second-Hand enterprises in Austria

3.2.2 In-firm company organisation

The various forms of companies require a different in-firm company organisation and a different use of corporate control elements. Owner-run individual enterprises only reveal little organisational structures due to their small employment figures. On the other hand there are big profit franchising companies and/or networks – such as Toc-International in Belgium (cf. Chapter 3.1.2). Strong structures and a good in-firm organisation could also be identified in non-profit organisations such as the Red Cross operating in the Second-Hand sector of all countries. In addition a number of country specific organisations are active such as e.g. UFF in Finland and the Salvation Army. They have more management staff and more characteristic forms of organisation. Individual enterprises have no management staff and make no or just very limited use of business plans or a merchandise planning system. The same is true for collection points and dispensary stores. Besides the application of the described instruments, the used goods department stores and forage dealers on the other hand additionally stand out for their marketing activities and quality management systems as well as a high grade of professionalisation. This professionalisation is even higher in franchise companies: Expansion plans and controlling instruments are additionally applied. Wholesalers and brokers have a professional logistics and business planning. The majority of the Second-Hand enterprises, and above all the smaller companies, neither have a management nor do they make use of instruments for quality assurance or goods registration.

The survey also revealed that above all non-profit organisations and/or enterprises have partly very differing corporate structures. The two examples below will therefore show how different possible in-firm organisation forms may be shaped:

⁸ http://de.wikipedia.org/wiki/Gemeinn%C3%BCtzige_GmbH

- In Belgium, it is characteristic for both profit and non-profit enterprises to joint forces in networks. As already shown in Chapter 3.1.4, the Belgian non-profit network KVK is composed of 33 re-use centres running 100 shops plus 8 waste of electronic and electric equipment re-use centres. Each of these 33 re-use centres are enterprises with their own legal status and has its own functioning area where they collect bulky household waste. The re-usable goods are then sold in one of the shops of the centre (a centre mostly runs 7 shops). In the private Second-Hand sector the enterprises are clustered around a few major franchising enterprises (cf. Chapter 3.1.5). One of them is Eco-Shop. The individual shops act more as re-sellers than as re-use centres. In this respect they are plain-spoken not a re-use network but a network trading with Second-Hand goods.
- A completely different in-firm structure of Second-Hand enterprises was revealed in the UK, above all in major non-profit organisations working mainly with volunteers. As already described in Chapter 3.4.1, Oxfam has around 20,000 volunteers across the UK. The Local Cancer Charity works with employees and unpaid volunteers. Most, but not all of these volunteers are elderly retired females. Basically these enterprises employ volunteers and a manager who is responsible for the entire Second-Hand sale of the organisation. In addition, every shop or centre has a full-time employee who is responsible for the sales/ retail sales.

3.2.3 State subsidies

In terms of state subsidies the analysis has revealed that private economically run enterprises are not granted direct state subsidies compared to the non-profit enterprises. This applies for all participating partner countries. Nevertheless the private economy is granted state funding because founders of new businesses e.g. in Germany can generally apply for a loan for business start-ups. Thus persons who wish to establish a Second-Hand enterprise can benefit from this regulation. Most of the established non-profit enterprises in the European Second-Hand sector have the option to get state subsidies in a direct or indirect way. The operation of the non-profit enterprises, however, is mainly financed via membership fees, donations, subsidies and/or prices/ fees⁹. These enterprises are facing a different kind of competition compared to profit enterprises because the products are subsidized and can thus be offered at lower prices.

The subsidies for non-profit enterprises is linked to defined conditions which vary in the participating project countries. For example: A certain share of the employees must be recruited from groups of disadvantaged people (e.g. long-term unemployed persons). If an enterprise in Finland wants to get wage subsidies, the firm has to employ 30 % of disabled or long-term unemployed. Social enterprises and other non-profit organizations can be granted wage subsidies for two years for the employment of long-term unemployed people and for three years for handicapped persons. Enterprises and organisations in Finland can also get subsidies from the government for the arrangement of working conditions as a prerequisite to hire disadvantaged or long-term unemployed people (Sosiaalinen yritys, 2007).

Another way of subsidizing is the tax exemption of the enterprises (completely or partially). This option is as a rule open for recognized charity organisations. Non-profit organizations like the Salvation Army and UFF do not have to pay value added tax because they are public organizations serving the public good (Silander 16.4.2007; Auravuo 17.4.2007).

Due to these subsidizing options, non-profit enterprises can employ a great number of temporarily employed persons in their companies (compared to profit enterprises). A recycling centre in Finland e.g. employs 100 persons on government subsidies. 27 employed persons are paid by the organisation and three project workers are financed with project funding. Non-profit enterprises often employ additional project workers funded by institutions

⁹ Internationally seen, non-profit enterprises generally finance themselves via remunerations for services rendered (53 per cent), state subsidies (35 per cent) and donations (12 per cent) (cf. NZZ am Sonntag, 15.10.2006, S. 37)

such as the EU or the government. In some enterprises the ratio between temporary and full-time employees is still more unbalanced. Another example could also be identified in Germany. A great number of non-profit enterprises – i.e. above all the so-called job-creation companies that operate in the Second-Hand sector along with other business fields – are also financed by subsidies: Long-term unemployed or other disadvantaged persons are employed in the enterprise. The majority of the employees in enterprises in Finland, Austria and Belgium are hired for a certain period of time and try to enter the first labour market from an adequate employment position.

It cannot yet be forecasted which of the trends of public subsidies for non-profit enterprises in Europe will prevail. It is, however, obvious that governments have to support all kind of potential employment models also in the future because there are lot of long-term unemployed and disadvantaged people who might be suffering from mental problems and problems linked to alcoholism. In Finland, for example, the new Act on Social Enterprises (passed in May 2007) will change the wage subsidy to a percentage of the wage expenses. A person can be granted 50% of the wage expenses or a maximum subsidy of 1300 € per month. Another financial support called project subsidy is increased from 50 % to 75 % (Työministeriö, 2007).

3.3 Business fields and products

3.3.1 Division of the business fields and the products in the Second-Hand sector

The analysis of the Second-Hand-Sector clearly revealed that this sector is multi-dimensional in Europe and shows a wide range of business fields as well as kinds of products. Thus the Second-Hand market basically offers the same range of goods also available in the first market. The offer encompasses textiles, sports articles, household goods, toys, and furniture as well as small and big electrical appliances, computers, mobile phones and other electronic appliances. In addition above all the electrical and electronic goods are dismantled and the retrieved spare parts are offered for sale on the Second-Hand market. The entire range of products sold is extensive and covers all kinds of goods.

With regard to the different goods, the Second-Hand enterprises can be generally divided into specialized and general shops and enterprises. The specialized shops concentrate on selling only one kind of goods, e. g. mobile phones, clothes, items for children or computer hardware. The general Second-Hand shops or enterprises on the other hand sell a whole range of goods.

An increasingly more popular form of specialized retail sale is the parallel offer of used and new goods. This may amend the variety of goods and ensures the availability of popular articles. On the other hand, traders who specialize in new goods often offer well-preserved used articles (prams, bicycles) in order to offer cheap alternatives to their customers. Many used goods traders dealing with bulky goods such as furniture and big electrical appliances do not only sell goods but additionally offer services such as pick-up, disconnection and/or connection of appliances, on-site disassembly and assembly, partly even clearing out and repair.

A comparison of profit enterprises and non-profit enterprises reveals that the smaller owner-operated profit enterprises often show unorganized company development steps (e.g. the junk shops). Apart from shops with a wide range of goods there are highly specialized enterprises marked by a high specialist expertise. Non-profit enterprises, however, often offer a wider range of products and partly little profitable additional business fields that are subsidized and kept alive by measures of employment promotion.

With regard to the non-profit enterprises the analysis also shows that some of the Second-Hand or used goods enterprises also offer services in connection with food and in the field of gastronomy (cafés, reading corners, canteens and others). Some of them even organise cultural events and actively work on measures promoting the image. There are many different combinations which may be decisive for the success of regional and/or local

business ideas. They are triggered by a certain demand situation and a specific “historic” development of the enterprises. Such a development can be less identified for profit enterprises.

The range of the product groups within the Second-Hand trade is enormously wide albeit there are clear differences in terms of importance within the Second-Hand market. The most essential business fields in Europe are electronic and electric equipment (including computers and office equipment), textiles, furniture, books and sound storage media (cf Figure 8). These product groups sold on the Second-Hand market do not have the same importance in all countries participating in the project. They do, however, play a role apart from a few exceptions. Only Bulgaria does not have a noteworthy Second-Hand trade with books and CDs. Another characteristic is the fact that the trade with textiles in Belgium is mainly done by non-profit enterprises. Figure 8 gives an overview of the important product groups of the Second-Hand trade of each country and forms the basis for further empirical surveys within the framework of the sector analysis. Thus the further surveys in the form of case studies concentrated on the product groups predominant in the individual countries.

Country	Overview of important product groups of the Second-Hand trade of each country for the selection of case studies within the project QualiProSecondHand		
Austria	Furniture (Antiques and decoration)	Textiles and toys (Parents equipment)	Electronic and electric equipment
Bulgaria	Furniture and decoration	Textiles	Electronic and electric equipment
Finland	Furniture	Textiles and toys	Electronic and electric equipment
UK	Books and sound storage media	Textiles and toys Furniture	Electronic and electric equipment
Germany	Furniture	Textiles	Electronic and electric equipment
Slovenia	Furniture	Textiles and toys	Books and sound storage media
Belgium	The results from Belgium do not reveal any emphases.		

Figure 8: Important product groups in the Second-Hand trade of the countries participating in the project for the selection of case studies

Thus it is clear that the many other product groups of the European Second-Hand sector (sports/ sporting memorabilia, vehicles, jewellery and watches, ornaments, machines for professional use, etc) only play a subordinate role. The most important product groups of the Second-Hand trade will be presented in detail below.

3.3.2 Textiles

The business field of textiles and used clothing represents a big share of the Second-Hand sector in Europe due to the fact that the acquisition of goods is easy and simple. Some private and charity and/or state funded institutions such as the Salvation Army flea markets and the Red Cross Recycling Department Store Chain in Finland have specialised in the massive collection, sorting and the sale of used clothing and textiles for re-use, but also in recycling (rags). Another example is the UK where charity shops make up a significant part of the entire sector and it is estimated that well over 250,000 tonnes of textiles pass through these shops. Also in Belgium great quantities of textiles are collected and re-used annually. In 2005, around 15,920.295 tons of textiles were collected in the regions of Wallonia and Brussels, 11,009.411 tons thereof were re-used. In Germany this figure amounts to around half a million tons of textiles collected per year, 40 % thereof is resold as Second-Hand goods (both in the country itself and as export goods to other countries). In Austria, the trade

with used textiles on the Second-Hand market also plays a significant role. However, only a small share of the used clothing collected by non-profit enterprises goes to the Austrian market and/or is distributed among those in need. The majority is sold abroad via wholesalers (above all to the states which have just joined the EU). Compared to the Western European countries the trade with used textiles in Eastern Europe is still underdeveloped due to the fact that there is not yet a distinct non-profit market. This is shown by the examples of Bulgaria and Slovenia. The acquisition of textiles in non-profit enterprises is done according to the same principle all over Europe: People can bring their old clothes to collection points or even directly to the enterprises (direct reception). Some organisations, however, also collect the used clothes directly at the donors'. This is done within the framework of collection campaigns. In Germany it is common to distribute plastic bags to private households prior to the collection itself. The country examples show that only a small share of the used clothing and textiles is resold as Second-Hand goods in the respective country. The majority of the goods is sold by wholesalers to non-European countries.

Nevertheless the business field is currently suffering from a decrease in material quality as the donated clothing often comes from cheap providers and is thus hardly suitable for further use. A disputed exceptional position is taken by the profit oriented export of textiles to Africa and Asia which is also practised by the German Red Cross. The umbrella organisation *Fairwertung e.V.* (German for "fair re-use") encompasses above all church associations and institutions with long standing experience in the collection of used clothing. This organisation aims at a fair and transparent trade on the used clothing market and describes the used clothing market in Germany on their homepage (www.fairwertung.de, as per April 2007) as follows:

„Used clothing is collected in different forms, for different purposes and by different organisations. Two different collection and re-use closed loops can be identified:

- a) Charity shops, textile and Second-Hand projects as well as initiatives for humanitarian aid collect clothing in order to make use of it for their own work (direct reception).
- b) The clothing collected through of street collections or containers is normally directly sold to commercial textile recycling companies.

Both closed loops overlap as soon as there is a surplus. A lot of charity shops receive more clothing than they can make use of and pass on their surplus quantities to other collecting organisations or to commercial buyers. The assumption that other collecting organisations "take away" the clothing from the charity shops is not confirmed in reality. There are of course times when the charity shops complain about a lack of supplies – e.g. in early autumn when they still have a good supply of summer clothing but not yet adequate warm winter clothing. Nevertheless most of the charity shops have their own textile projects, initiatives of humanitarian aid and a regular group of supporters who as a rule only donate their used clothing there."

Furthermore the analysis of the Second-Hand sector has underlined that the companies operating in the same business fields apply different business concepts and methods. A good example is given by the characterization of the most important Finnish organisations:

UFF Finland (U-landshjälp från Folk till Folk in Finland) is a humanitarian non-profit organisation whose purpose is to help and support the development in the poorest countries and at the same time to support the recycling system in Finland. These goals are reached through collecting the clothes for re-use purposes and donating the clothes and profits to development projects. UFF collects clothing, other household textiles and shoes in 118 municipalities in southern Finland at about 900 container sites. In 2005 they collected about 5,5 million kg of textiles (UFF, Annual Report 2005). UFF Finland is running nine Second-Hand shops: six shops in Helsinki two in Tampere and one in Turku. (UFF, 2007.)

Red Cross Recycling Department Stores are operating in eight cities all over Finland. The Recycling Department Stores are under the central administration in Jyväskylä and they are

spread over all parts of Finland with the exception of the capital area. 50 % of the profits go to the Red Cross in the cities where they operate, 25 % go to the Red Cross crisis fund and 25 % are used to develop their own recycling department stores. (SPR, 2007). In 2001, recycling department stores started to develop their business in a more professional way and expanded their operations. Their biggest business field is textiles with about 40 % of the turnover. Furniture accounts for 20 % of the turnover and the remainder are other household items like dishes. At the moment the volumes are really big. The organisation receives about 10 000 kg of items per week. (Haaranen 13.4.2007.)

The Salvation Army runs 24 flea markets in all parts of Finland. The organisation is based on Christianity and the main idea is to help their fellowmen. In addition to flea market sales they also give donations to people in need. Mostly they collect textiles but also some furniture and other house hold items are gladly accepted. (Silander 16.4.2007).

Apart from the acquisition of goods and the different organisation of above all big charity organisations and/or non-profit enterprises dealing with textiles and/or used clothing, the sale of goods reveals a speciality. Textiles in Second-Hand shops are usually sorted by different categories: for children, women and men. The presentation and the sorting of the goods in these shops is done according to the same principle as in shops offering new items.

Further to the non-profit enterprises and the big charity organisations there are other actors operating in the business field of used textiles and clothing. This also includes the recycling centres (for example in Finland) which collect a lot of textiles and toys. But they normally account for a smaller part of the turnover compared to e.g. electrical equipment or furniture.

Textiles and used clothing also play an important role in the profit oriented private commercial trade. Above all small and owner-operated profit shops deal with used textiles. Above all children's clothing and toys play a special part within the business field of textiles. There seems to be an overall strong and well established Second-Hand market for these product groups. Furthermore there is a great number of profit enterprises specializing in the sale of certain textiles. Apart from the trade with used children's clothing there is an offer of sports outfits and equipment, designer clothing as well as evening attire and bridal wear. Compared to the non-profit enterprises that mostly carry through bigger collections, the acquisition of goods by the profit enterprises is mainly done through the purchase of used goods from private persons. The presentation and the sorting of the goods, however, is done according to the same principle as the non-profit enterprises.

3.3.3 Electronic and electrical equipment

The trade with used electrical and electronical appliances represents a significant share in the Second-Hand sector and is common for both profit- and non-profit enterprises. Above all the trade with used big household appliances such as washing machines, dishwashers etc. as well as the trade with computers and mobile phones and HiFi equipment is common for the Second-Hand market. Smaller electrical appliances also form part of this trade albeit they only account for a lesser share of the trade with used electrical and electronical appliances. In many European countries, this kind of trade is not considered a rewarding business field (e.g. in Austria and Bulgaria). This is due to the fact that new appliances can be bought at a comparatively low price in discount markets and include a two years' guarantee.

This guarantee factor – i.e. liability and guarantee – is a critical factor for used appliances. Certain weak points of the Second-Hand trade compared to the trade with new goods could be identified in terms of technical, electrical and electronic products. New goods often come with test reports and certificates underpinning the quality and the safety of the sold appliances. The warranty regulations for used electrical and electronical appliances is generally is a major problem for the Second-Hand traders. Since January 1, 2002, consumers can claim warranties within two years (cf. Consumer Goods Ordinance 1999/44/EG). This period of time can be reduced to one year under certain circumstances.

As for used goods, the warranty can be reduced to 12 months by individual contracts or within the framework of the general terms and conditions of the shop¹⁰.

In practice and due to the legal regulations, different strategies for the sale of used electrical and electronic appliances have developed. Some profit enterprises sell their goods via Internet portals such as eBay or on flea markets as private persons or just “business to business” and thus avoid the warranty duty. Others offer voluntary guarantees, albeit for a shorter period of time than legally stipulated and hope that the consumers are not adequately aware of their rights.

Based on the European Directive WEEE (Directive on Waste electrical and electronic equipment, 2002/96/EG) passed in early 2003 and part of the legal system of all European Member States, the producer must take over the costs for the disposal of used appliances. Therefore the businesses are forced to react to these stipulations. The directive aims at increasing the recycling quota for electrical and electronic devices and thus at reducing environmental harm and at recovering raw materials. This can among others be attained by refeeding as many used electrical and electronic appliances to the consumer closed loop.

Different strategies have been developed in the various countries. Some countries, e.g. Finland, are already very up-to-date whereas others, e.g. Bulgaria, have hardly developed any activities yet. Countries such as Austria or Germany try to expand the trade with used electrical and electronic appliances to the new EU Member States in order to create sales potentials there. In Germany additional different approaches to the handling of used electrical and electronic appliances could be identified. High-end products with a respective resale value are checked by skilled personnel, partly cleaned and in some cases refurbished and/or repaired prior to being sold as Second-Hand articles. In the case of big electrical appliances (such as e.g. washing machines), only wear parts are exchanged or the goods are dismantled into their spare parts. Reusable items are sold as used spare parts. Used electrical equipment which can no longer be repaired and does not yield any spare parts is normally recycled. This means that the appliances are dismantled and the spare parts and groups of materials are re-fed into the closed loop as raw materials.

Based on the fact that Finland shows very good progress in the implementation of WEEE, the following chapter will describe the Finnish example for the handling of used electrical and electronic appliances.

In Finland the WEEE, the re-use and recycling of electrical and electronic equipment waste is regulated by the Finnish legislation under Finland’s Waste Act on *producer responsibility* and a Council of State Decree on Waste Electrical and Electronic Equipment (Pirkanmaa Environment Centre, 2007). The enterprises are obliged to organise their business in a way to adhere to the law supervised by an official authority. Approximately 90 % of the producers are obeying the producer responsibility (Virtanen, 6.2.2007). Nevertheless, there is still a need for development, for example, regarding collection networks and producer entities’ co operations. All in all Finland is a country where the producer responsibility has been put into practice quite fast. The re-use and recycling of electrical and electronic equipment waste was activated by the development of the WEEE directive (Poikela, 2006; 5, 28). This is one reason why this field of household and small electrical appliances has significantly increased its share of the Second-Hand sector in Finland. This field partially accounts for about 25 % of the annual turnover of the Second-Hand market.

The Finnish re-use and recycling business of electrical and electronic equipment is practiced by different kinds of actors. There are e.g. big profit enterprises, non-profit enterprises, social enterprises and also some private persons who buy large amounts of electrical and electronic equipment and resell it. Sometimes the only business field is the re-use and recycling of electrical and electronic equipment and sometimes used electrical and electronic equipment is one among other business fields. There are some big listed enterprises which

¹⁰ vgl.: http://ec.europa.eu/consumers/index_en.htm;
<http://de.wikipedia.org/wiki/Gew%C3%A4hrleistung> (Stand 12/2007)

are mainly practicing the recycling of electrical and electronic materials and cover a large share of the used electrical and electronic equipment market. The biggest entity for collection and recycling of used electrical and electronic equipment has about 750 producer members. Many of the actors sell their items not only in the country of origin but also to other countries (Kallio 1.2.2007, Kainulainen 29.3.2007).

In Finnish non-profit enterprises the used appliances are dismantled manually, repaired and sold such as computers and all kinds of household appliances like fridges, freezers, electric cookers, washing machines and dish washers, TV sets, video players, microwave ovens and regular ovens, etc. The demand for electrical appliances like computers is so big that there are often not enough appliances on offer.

Other players in the electrical and electronic equipment field are the recycling centres. In Finland some recycling centres also service and sell used computers and other electrical appliances as one of their business fields. The recycling centres promote re-use and thus aim at minimizing waste as well as the consumers' need to buy new products. Besides used electrical and electronic equipment their collections usually comprise textiles, toys, sound storage media, books and furniture. They also offer environmental counselling for consumers and enterprises (Työministeriö, 2003.) The biggest recycling centre in Finland employs a total of 130 persons and runs quite big premises in the centre of Helsinki (Lehtikuja, 12.2.2007). In northern Finland there is a chain of five foundations called Ekoterminal which collect and pre-treat electrical and electronic equipment waste. One of their important purposes is to arrange work possibilities for long-term and disabled people. Some of the collected electrical and electronic equipment goes to material recycling but part of the equipment is also prepared for re-use (Ekoterminal 10.4.2007). The company operates an information system that helps to control and e.g. account for the amount of electrical and electronic equipment waste they collect. Ekoterminal is a big employer with about 250 employees in the Romotke foundation. 30 employees have permanent jobs, the other persons engaged are long-term unemployed or disabled people (Ekoterminal 10.4.2007). Nevertheless, in terms of the volumes of the non-profit enterprises, the enterprise accounts for quite a small part of the total turnover of all enterprises in Finland dealing with used electrical and electronic equipment (6.2.2007 Virtanen).

3.3.4 Furniture and decoration

The trade with Second-Hand furniture (without antiques¹¹) can be found in all countries participating in the project and covers both profit and non-profit enterprises. In Germany this business field seems to have a considerable share of the market. But also in Bulgaria, Finland, the UK, Belgium and in Austria there is a Second-Hand trade with furniture whereas just a very limited market could be identified in Slovenia. The share of the Second-Hand trade with furniture in Germany is estimated at 30 to 50 per cent (Faltz 2006). Therefore it is not amazing that Bulgarian shops dealing with Second-Hand furniture import the merchandise mostly from Germany. Some of the imported furniture is slightly damaged and stems from catalogue trade enterprises. The Bulgarian enterprises repair the furniture prior to reselling. A lot of the people working in these enterprises are craftsmen such as upholsterers and electricians.

Compared to Bulgaria there are few stores in Finland that have specialized in selling used and old furniture – with the exception of antique furniture. In Helsinki e.g. the sale of furniture is especially focused on seasonal workers and students who move in from different places for shorter periods of time and need cheap furniture. Used furniture is also sold in flea markets and Second-Hand stores with other business fields like textiles, toys and household appliances. Many recycling centers also have furniture on offer. The sales figures of furniture

¹¹ Nevertheless it should be mentioned that a separation of the Second-Hand furniture trade and the trade with antiques is very difficult, even impossible in some countries.

of the Red Cross Recycling Department Stores are constantly increasing (Haaranen, 13.4.2007).

The trade with Second-Hand furniture in the UK is mainly left to the charity organizations whereas both profit and non-profit enterprises deal with furniture in Germany. In addition there is a great number of German enterprises specializing in the trade with used furniture. Partly combinations composed of the trade with antiques and used furniture could be identified as well as highly specialized businesses (e.g. furniture of a certain epoch, office furniture etc.). In Austria as well the Second-Hand trade with used furniture revealed a high specialization of the business. This is due to the fact that the increasing offers of cheap furniture leads to a drop in demand for used furniture. The dumping prices of the new furniture market have nearly led to a collapse of the trade with used furniture. Furthermore it must be underlined that furniture is just one of a great range of other products offered in the stores. Similar to Germany, the trade with used furniture in Austria is done by both profit and non-profit enterprises. In Slovenia the trade with Second-Hand furniture seems to be rather restricted. According to the Slovenian sector analysis, only one of the officially registered Second-Hand shops deals with used furniture. In Belgium's profit area above all one big franchising enterprise (Troc-International) deals with used furniture and specializes in this product group. Used furniture is, however, also sold and resold in the non-profit area. The KVK network also offers furniture along with numerous other products. The share of re-used furniture in the regions of Wallonia and Brussels was approx. 1523,662 tons in 2005.

3.3.5 Books and sound storage media

Books and sound storage media are usually sold in Second-Hand stores specialising in books and magazines or sound storage media like CDs and LPs. These kinds of Second-Hand shops are often found in bigger cities and towns. Most of the shops are individual businesses or shops organised in franchising networks. But also recycling centres and other Second-Hand shops have books and sound storage media on offer. A comparison of the partner countries participating in the project reveals that Germany has some smaller specialized shops in the profit area. Books and sound storage media are often offered along with other products in non-profit shops. Also bigger Second-Hand department stores often have a separate department for these goods. In Austria and Bulgaria, on the other hand, the trade with used books and sound storage media does not play any or only a minor role in the Second-Hand market. If these goods are actually sold, they are just by-products along with other Second-Hand goods. In Slovenia there are hardly any shops dealing with corresponding Second-Hand goods. No trade with used books in shops could be identified. Nevertheless e.g. used text books are sold within the framework of special flea markets. There are some shops dealing with used sound storage media (above all used CDs) in Slovenia although these shops are very rare and very small. In Belgium there are many shops dealing with used books or sound storage media. We would like to draw the attention to the enterprise Pêle Mêle s.p.r.l that during its 50 years of existence has built a remarkable and solid reputation as one of the best second hand shop dealing with these items. These products are offered as by-products in bigger Second-Hand businesses which are not specializing in certain product groups. Contrary to the described and very limited trade with used books or sound storage media in some European countries, there is a more developed market for these products in Finland and the UK. In Finland books and sound storage media are usually sold in Second-Hand stores specialized in books and magazines or sound storage media like CDs and LPs. In 2005 there were 180 of such Second-Hand stores with 141 persons employed and they accounted for a turnover of 15,923,000 € (Statistics Finland, 2005). These kinds of Second-Hand shops are predominantly found in bigger cities and towns. Apart from specialized shops, books and sound storage media are offered by non-profit enterprises in Finland. Similar to the other countries, these goods are only a fringe product group. In the UK there is a large market for used books as well. Along with non-profit enterprises dealing among others with used books (e.g. Oxfam with shops in their network specializing in used books and sound storage media) there is a intense trade with used

books in some towns in the UK (e.g. in Hay-on-Wye, a small town in Wales with 39 independent bookshops for Second-Hand books).

The analysis clearly shows that the trade with used books and sound storage media is very different in the countries participating in the project. The products in question are often sold via the Internet which makes a sale in shops little profitable. In addition the trade with CDs is generally decreasing as the corresponding recordings can be downloaded from the Internet at a cheap price or even free of charge.

3.4 Acquisition of goods and sales structures

3.4.1 Strategies for the acquisition of goods

The acquisition of goods in the European Second-Hand sector is mainly done in two ways: purchase and/or donations of used goods.

Non-profit enterprises dealing with used goods often make use of the option of donations. The goods can thus be acquired free of charge and the enterprises do not have to pay for their purchases. The donation of such "material" donations takes place directly at the enterprises. In case of bulky goods such as furniture or big electrical appliances (e.g. washing machines, refrigerators), the enterprises often collect the items directly at the donors' homes. The massive collection of used clothing by private and charitable institutions is mostly done within the framework of street collections or by collecting used clothing in respective containers placed in public areas. In some European countries the acquisition of goods is additionally (e.g. in Germany) or mainly (e.g. Austria both within the framework of profit and non-profit) done on the occasion of liquidations of homes. Just around 10 per cent of the donated objects can eventually be resold as antiques and/or Second-Hand goods. The form of acquisition of goods via donations described here encompasses all kinds of goods. Apart from the direct reception of donated goods in the individual enterprises, a few European countries run a nation-wide network for collection. Against the backdrop of the European directive WEEE, some countries have established so-called collection points of electrical and electronic equipment waste. In Belgium e.g. every re-use centre has its own functioning area where bulky household waste is collected. Similar collection points are also in operation in Germany. Most of the times this task is carried out by recycling enterprises acting on behalf of the regional administration and carrying through the collections. Often these enterprises are networked with non-profit enterprises or are part of them. Therefore the goods that are still in good shape are not recycled but offered as Second-Hand goods.

The amount of collected goods is enormous. This is underpinned by the country specific figures and/or quantities given below¹²:

In the **UK** there are the public donate items to shops and large-scale door-to-door collections that allow charity shops to collect approximately 15 million sacks of textiles and other materials from households every year. It is estimated that well over 250,000 tonnes of textiles (clothes and other fabric items) pass through charity shops every year.

In **Finland** one of the big non-profit organisation (UFF) has carried through collections in 118 municipalities in southern Finland with about 900 container sites. In 2005 they collected about 5,5 million kg of textiles (UFF, Annual Report 2005).

In **Belgium** a total of 37,500 tons of material was collected in 2005 (an overview of the collected materials per inhabitants is given in Figure 9). A selective collection of reusable products makes up for 28,100 tons (2005). There are approximately 55% on call, 40 % delivery to the re-use shop and 5% delivery to collection points of municipal waste.

¹² No absolute figures can be provided on a European level as not all countries provided the respective data.

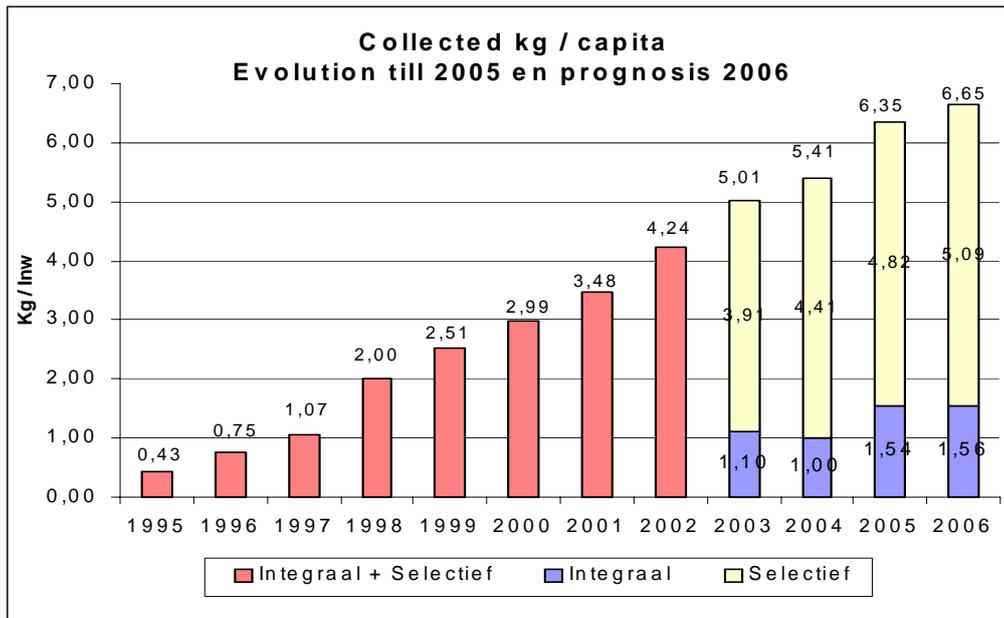


Figure 9: Collected material per inhabitant in Belgium over the years

In profit enterprises of the European Second-Hand trade the acquisition of used goods is primarily done via purchasing. The shops are both buyers and resellers of a broad variety of Second-Hand goods. The goods are bought from private persons, e.g. as a direct purchase at the shop, but also within the framework of household liquidations, via advertisements or the Internet or at flea markets. On the other hand the goods are acquired on the occasion of liquidations of businesses. In both cases the goods are subject to a visual check, e.g. in terms of operability, and it is checked whether the items are the seller's property or perhaps stolen goods. Apart from the different acquisition markets for profit-enterprises there are a number of variants of payment. Either the goods are acquired on consignment or the seller receives cash on delivery. The purchase prices depend on the sum of money the buyer is prepared to pay and on the price expected by the seller. In general prices are not fixed but are negotiated in a flexible and individual way. There is always an agreement between the seller and the buyer. If the seller accepts the conditions (above all if the offered goods are valuable) a contract is signed. The seller of the goods passes on his property rights to the buyer (the Second-Hand enterprise/shop). In case that the goods are bought on consignment, the contract contains paragraphs stipulating the price, the period of time the goods will be offered in the shop and other conditions. As soon as the contract is signed, the goods are transferred to the shop. Once the items are sold, the shop retains a percentage of the price previously agreed upon by the seller and the shop. In general the shop receives a commission corresponding to 20% to 40% of the sales price depending on the object. Very often the shops do not accept articles at a value of less than 3 € or defective goods. Furthermore the buyers (the Second-Hand shops) claim that an object is rarely offered on the shelves for a period of time exceeding two months.

Another method of goods acquisition is the import of used goods. This is especially relevant for Bulgaria where 97 per cent of the goods offered in the Second-Hand sector are imported from other countries (e.g. also from Germany).

3.4.2 Sale of the goods

The sale of Second-Hand goods in the European Second-Hand sector is realised via

- Second-Hand shops (partly shops specialized in certain product groups)
- Direct delivery e.g. to department stores, workshop sale and sale from stock (non-profit enterprises)
- Online market places
- Flea markets (e.g. use of established flea markets by professional traders for the sales of their goods)
- Newspaper advertisements
- Wholesale.

The traditional kind of distribution in profit enterprises is the direct sale to the customers in shops or department stores. Depending on the kind of the distributed goods, the items are checked by the traders on their functioning (e.g. electrical and electronic equipment) and they are cleaned (e.g. textiles) prior to being offered in Second-Hand stores. Customer consulting is mainly done in Second-Hand stores specializing in certain goods. In order to boost the sales of the products in the private economic field – where most of the profit-enterprises are to be found – the shops do not only sell the goods directly but rely on other market places such as the Internet or flea markets. Furthermore most of the smaller Second-Hand stores do not issue guarantee certificates for the sold goods, with the exception of traders dealing with electrical and electronic equipment. A certain period of warranty must be granted according to the legal stipulations of the individual countries. Furthermore many traders claim the right to declare the sold goods as non-returnable.

Apart from the simple sale in shops or department stores, non-profit enterprises also feature workshop sales or sales from stock. These enterprises are often organised in a way that the reception of goods, the sorting warehouse and the sales rooms are on the same premises. The purchased or collected goods are offered for sale after having been checked, cleaned and repaired if necessary. Interested customers can seek advice from the sales persons. In case of a reclamation the products are repaired, returned or a voucher is issued. Used electrical and electronic equipment and furniture is offered both in stores and warehouses whereas clothing or children's items, household articles, books and sound storage media are mainly sold in shops and department stores.

No concrete statement can be made on the kind of businesses with the biggest turnover in the sale of Second-Hand goods as no overall statistical data are available. According to statements made by experts, however, it may be assumed that the profit-enterprises have a bigger turnover in volume than the non-profit enterprises in Europe as their number is higher.

Neither can a concrete statement related to Europe be made with regard to the share of the individual different sales locations for Second-Hand goods compared to the overall trade figures. An overview of a possible distribution is given by an Austrian study¹³ reflecting the points of purchase of used appliances (cf. Figure 10). The study exclusively refers to Austria and to one single product group and can only be seen as a guideline for the other countries participating in the project. The biggest share of the sale of appliances is thus done via friends and relatives (53 per cent), followed by newspaper advertisements (35,5 per cent). The fourth place is taken by Second-Hand shops (21,2 per cent).

¹³ Schwabl und Haitzmann, 2002

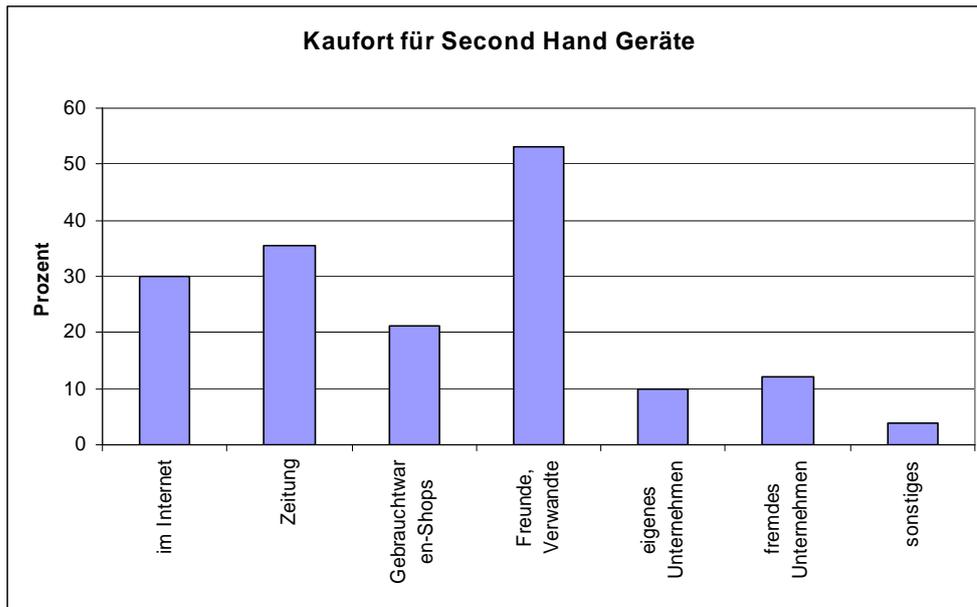


Figure 10: Points of purchase for Second-Hand appliances in Austria¹⁴

The use of internet as a market place is rapidly growing. For example one third of the Slovenian population has already conducted a purchase on the Internet. The majority of these people make use of this way of purchasing several times a year. The biggest Internet providers in Slovenia are e.g. Amazon, Emka, Mimovrste etc. Furthermore it can be stated that the biggest online auction place in Europe – eBay – holds a considerable share of the Second-Hand sector. This platform is also used by Second-Hand shops for the sales of their goods. This form of distribution can, however, also be used by Second-Hand sellers all over the world resulting in a direct situation of competition¹⁵. More than 212 million registered members (as per March 2007) on four continents are trading with around 105 million new and used goods of more than 50,000 different categories. In Austria, eBay counts around 1.8 million visitors (March 2006) per year. One third of the goods is sold at fixed prices, the remainder is being auctioned off. In the meantime there is a clear trend towards the purchase of new goods. In Austria, a computer is sold via eBay every two and a half minutes on average. This platform was also able to establish itself in the markets of the other European countries. Nevertheless eBay is currently no keen competitor for the direct trading with Second-hand goods. This can be explained by the fact that a visual check of the goods via the Internet is only possible to a limited extent and that there is no personal consulting. The growth of internet sales could be seen as either a threat or an opportunity for independent sellers. The growth in sales over the Internet has threatened the existence of traditional sellers, which in the past based their success on traditional methods of selling. To counteract the threat of this potential competition, these sellers will need to transfer some of their existing business online to meet the ever growing demands of the technology embracing customer¹⁶.

Flea markets are another way of distribution in some European countries. These markets offer important sales opportunities also for professional dealers. In Austria, the better part of the sales take place on flea markets, e.g. in Vienna. A total of 350 traders – around 200 of them specialist traders – participated in a flea market in Vienna. The share of private persons (15 traders) is very low. The range of products is very wide and encompasses household goods, furniture and paintings, lamps, bric-à-brac and jewellery. In some rare cases, clothing and electrical appliances are on offer as well. Some non-profit enterprises

¹⁴ cf. Schwabl, Haitzmann (2002)

¹⁵ Spitzbart M. et al, 2006

¹⁶ cf. A. L. Jones, A. Davies (2006)

are also present. Apart from used furniture they also sell valuable pieces of furniture. This kind of distribution is also supported by the administration. The magistrate department of the communal waste economy of the City of Vienna, for example, runs their own bazaar where used electrical and electronical appliances can be purchased at very reasonable prices. Flea markets also play an important role as additional sales markets for professional traders in Germany and Slovenia. Thus almost every bigger town in Germany offers several special flea markets per year where the traders can offer their goods. In Belgium, flea markets also offer a sales platform for professional Second-Hand dealers (with around 1,200 flea markets every year). Apart from two big flea markets in Slovenia – in Ljubljana and Maribor – there are above all specialized seasonal flea markets which are very popular. In Finland, flea markets can be organized by both non-profit enterprises/ organisations (e.g. the Salvation Army) or by private persons who organise a lot of flea markets offering Second-Hand goods. Flea markets have no importance as sales platforms in Bulgaria and the UK.

3.4.3 Advertising activities

The degree of popularity and the business success of enterprises are considerably influenced by advertising and marketing measures. In all participating European countries examples of good practice could be identified where the shops were designed in a modern and pleasing way and have thus defied the image of a Second-Hand dealership. In some cases the sales areas are trendily designed and professionally decorated. The Second-Hand traders mainly orientate themselves to the market of new goods, pursue the same public relations strategies and make use of the same media in order to promote their products. They aim at increasing their degree of popularity and to advertise their range of products. On the other hand targeted promotion campaigns support the prestige advertising and the customer loyalty. The majority of the Second-Hand traders – regardless whether they are profit or non-profit enterprises – aims at conveying a good “shopping feeling” to their customers. The European Second-Hand sector makes use of a variety of options and media in order to advertise their range of products or individual goods:

- Newspaper advertisements
- Radio/ cinema/ TV/ Internet ads
- Poster advertising
- Postcards, booklets (circulars), newsletter, company newsletters
- Events for the merchandising of goods („Open House“ with events such as fashion shows)
- Regular customer systems.

The advertising activities are mainly confined to the target region due to the regional orientation of most of the European Second-Hand enterprises. Compared to the profit enterprises with a lot of shops pursuing the same strategies and making use of the same media (see list above) for the advertisement of their goods, the advertising activities of the non-profit enterprises show very different characteristics and seem to vary depending on the size and the networking/ cooperation of the enterprises. As these enterprises are often considerably larger, they pursue marked public relation strategies that are underpinned by a Corporate Identity reflecting the degree of professionalisation of an enterprise. Apart from the use of the above mentioned media such as newspaper advertisements, postcards TV commercials etc., the non-profit enterprises stage events like fashion shows (e.g. with the support of prominent persons), shopping nights with the theme “art and culture” and festivals (e.g. 20 years no-charge supply of clothing) in order to increase the degree of popularity of the enterprise. The aim is to attract as many people as possible to these events in order to gain potential customers. Another strategy is to approach the customers. This means that shops are moved to neighbourhoods with a lack of infrastructure housing a socially weaker population (e.g. in Austria). Furthermore the aspect of “fair pricing” is being communicated to the customers. The customers are told that they support the work for handicapped people if they buy the Second-Hand goods. Some companies also have data bases of registered

regular customers who receive regular information on discounts and/or special offers or are sent a company newsletter.

Furthermore both profit and non-profit enterprises partly run their own websites depending on the size of the enterprise. It has been shown that especially larger enterprises use the Internet to present themselves as well as their products or special offers on a website. In smaller enterprises the website (if available) very often is more informative. The marketing as such is often based on mouth-to-mouth propaganda: The reason why larger enterprises use more advertising instruments is that they have more resources for marketing activities and even a person responsible for marketing activities. Apart from the traditional marketing and advertising strategies there are, however, also innovative approaches. A very good example could be identified in Austria. A small group of entrepreneurs – a total of seven shops – have formed a network and have agreed upon a common name. This creates the possibility to carry through marketing and advertisements as a joint venture, to get a better standing and to increase their popularity.

3.4.4 Quality assurance

Quality assurance plays a role in Second-Hand enterprises. When used goods are sold it must be safeguarded that these goods are functional in order to generate a certain resale value. Therefore it is very important to inspect the incoming goods and to sort out defective items. Generally seen it can be noted that in spite of the necessity of quality assurance in Europe there are no uniform quality standards for used goods and/or all product groups – with the exception of used electronic and electrical equipment. Thus quality assurance combined with a check of the incoming goods for their functionality and in terms of the different product groups is organised in many different ways. The enterprises mainly apply individually developed strategies for the inspection of goods and apply different methods. Nevertheless it can be stated that both profit and non-profit enterprises carry through an inspection of incoming goods. The quality assurance processes in non-profit enterprises or larger companies are better structured and thus more professional. This is due to the fact that the volume of goods is overall larger. In addition many non-profit enterprises in Germany and Austria are certified according to DIN EN ISO 9001:2000 and can prove the existence of quality management systems¹⁷.

Quality assurance in all product groups always encompasses the inspection of incoming goods. In organizations specializing in the collection of textiles as well as in enterprises dealing with textiles, all textiles are carefully sorted. Different criteria such as cleanliness and deficiencies (e.g. holes, missing buttons or fasteners) play a decisive role. The biggest problem involved in the trade with Second-Hand textiles is that people still deliver clothes in a bad condition although they had been informed not to do that. Similar to textiles, this is true for the product group of books and sound storage media. Here an inspection of the incoming goods is necessary. It must be checked whether e.g. books are complete or soiled and that sound storage media can be played. Concerning furniture there are checks on cleanliness, whether they can be easily disassembled and reassembled and whether they are fully functional (e.g. can cupboard doors be opened and closed?). With regard to other product groups such as sports articles and toys these measures apply for quality assurance.

Above all in terms of the trade with used electronic and electric equipment, quality assurance plays an important role in the Second-Hand sector as there are compulsory European directives (cf. Chapter 3.7.2). All enterprises dealing with used electronic and electric equipment assured that all the equipment is carefully tested before it is offered for sale. Furthermore both profits as well as non-profit enterprises apply special testing methods for the incoming or purchased equipment.

¹⁷ The quality management systems (QM-Systems) generally refer to the entire enterprise and its different departments and processes. This is not explicitly quality management.

Apart from the compulsory quality standards for used electrical appliances which are mandatory for all enterprises, above all individually defined quality standards for an inspection of incoming goods are applied in the companies. Often these standards are linked to the size of the enterprise, its organisation and networking. Thus explicit quality standards could especially be identified in franchiser enterprises, large associations/ networks and some non-profit enterprises. This does of course not mean that smaller enterprises managed by their owners do not have any quality standards. The adherences to in-firm quality standards and/or quality assurance is above all safeguarded by a conscientious training of the employees as well as further training measures and a precise monitoring of the market in order to swiftly react to the changed demand for goods by the customers.

In order to give an overview of in-firm quality standards and quality assurance, two examples from Belgium will be introduced below. They refer to the two largest networks of non-profit enterprises – KVK and RESSOURCES, both excellently handling quality assurance within their network. Similar to other countries these two networks have their own binding quality standards based on quality principles and applicable for all their members.

Example 1: KVK network in Flanders

KVK has developed a strong quality policy for its members on three levels:

- A branding system for the shops which are then recognized as “De Kringwinkel”
- A quality label for electronic appliances: “Revisie”
- An overall management system based on the EFQM model, called K2, to create the optimal conditions to satisfy the needs of all stakeholders such as clients, local authorities, etc.

KVK is primarily responsible for the development of these systems and provide support to its members in their practical implementation and continuous improvement. 68 % of the shops have acquired the “De Kringwinkel” brand. KVK wishes to distinguish from other Second-Hand shops. In that respect common communication instruments have been developed: a logo, instructions on shop organization and product presentation, house style. At the same time an internal audit system has been organized in order to guarantee minimum quality standards to the customer. This audit system and the communication instruments are presently being used by about 70 % of the KVK members. 24 members participate in the schemes representing 68 shops.

Furthermore 73 % of the waste of electronic and electrical equipment re-use centers’ have been accredited and are using the “Revisie” label. “Revisie” is a quality project. The aim is to offer “De Kringwinkel’s” clients safe and reliable Second-Hand electrical appliances. The appliances are thoroughly tested and if necessary repaired according to well-defined technical procedures. Only those appliances that have successfully passed all steps receive a “Revisie”-label and are sold with a six months’ guarantee. In Belgium Recupel is the organization that organizes the collection and works with subcontractors for re-use and recycling. Initially the intention was to go for the certification ISO 9001 system but this appeared to be too normative for the revision centres. All members specialized in waste of electronic and electrical equipment adopted or are in the process of adopting the “Revisie”-label.

And also 55 % of the KVK members are working with the quality management system EFQM-K2. The “De Kringwinkels” are re-use centers that receive a label if they meet a minimum set of quality standards. This however led to the need for a more global approach to respond to the question “How to get organized to realize these standards?”. Departing from this need the federation has developed a support strategy for its members independently from the label itself with the aim to create the conditions to satisfy the needs of different stakeholders such as the client, local authorities etc. 18 members participate in this scheme.

But there are also critical success factors of quality systems amongst KVK members. KVK has chosen to approach quality management by selecting existing models and adapting them to the profile and needs of the recycling sector. It turned out that the system of ISO 9001 was used for the revision centres but has proven to be too strict to handle. Currently a time of consolidation is destined for proving the value of the quality systems. For the future they plan to try the approach of combining work in-group and individual coaching, because that could be very useful. But this also means a strong commitment of the management and the operational staff.

Example 2: RESSOURCES network in Wallonia

Within RESSOURCES quality management has two dimensions: it may mean management of the quality and it may be understood as quality of the management. Since its start in 1999, RESSOURCES has worked on quality management. Clearly the members of RESSOURCES have to manage the quality of the re-used product and the quality of their social work.

The driving forces for a quality management are:

- Aggressive competition in the sector of textiles led to the externally certified label “Solid’R”,
- Need to differentiate the social dimension of the competitors,
- Need to give quality guarantees to the customer,
- Drive to more professional ways of working and internal processes,
- Need of the members to have a simple and interactive approach that fits the size of their companies.

Inhibitory factors:

- Normative, heavily documented systems are avoided by the members, even if they are designed as easy as possible. The constraint of the audit is perceived once a year as an opportunity to review the system while this means an extra workload for the rest of the year.
- The long-term investment in personnel dedicated to the maintenance of the quality system is very difficult for small structures that do not see the benefit of the process.
- A never-said bottleneck is that a (good) quality system drills deep into the organization. If the objective of a business is not clarified, it is quite difficult to open it up to improvement methods.

Altogether there is no formal quality policy at federal level in Belgium, but there are different specific projects on the way. The main project, on the level of product quality, is the ElectroRev label. This label focuses on procedures for testing, as pre-conditions to deliver an appliance. RESSOURCES is also concerned with professionalism on all management levels. Other tools are provided there: E.g. the “Solid’R” label, an ethical label aimed at distinguishing RESSOURCES members from other more business-oriented textile collectors. And there is the project “EMAS/Managens” to improve the professionalism of structures and to explicitly show that non-profit enterprises are credible actors in terms of sustainable development. Another actor is “Valeurs Ajoutées”, an easy quality assurance tool to help their members to structure their future development strategy by means of an action plan. Finally, one of the member enterprises (Terre) is ISO 9001-certified. The four labels are presented in detail below:

ElectroRev was launched in 2003. The three founding members wanted to define common quality procedures for activities related to used electronic and electrical equipment. ElectroREV was created to give quality guarantees (technical work, after-sales service etc.) to customers and other partners, i.e. to retailers and producers’ federations, the eco-organism Recupel, etc.

EMAS/ Managens was launched in 2003. It represents the first substantial official public support for quality management in the Belgian social economy. The federal authorities wanted to help the enterprises to be more professional in doing their social and economic business. As RESSOURCES is active in the environmental field, EMAS supports quality management programmes based on environmental norms which aim at encouraging members to register under the EMAS regulation by means of a simple and easy set of procedures and tools, well suited for small enterprises. Two members have already adopted the scheme.

Solid'R was launched in 1999, at a time when the members operating in the field of textiles had to face very aggressive competition with competitors in the textile trade. The label is granted by an independent body and aims at demonstrating that the way of managing a non-profit enterprises is not exclusively aimed at making money but also based on ethical principles. Seven members working in the field of textiles adhere to the scheme.

Valeurs Ajoutées started in 2005. It is a non-normative scheme without any kind of certification. Although Managens already uses a very simple set of tools, it was still too “rigid” for associations who do not need the kind of formalism imposed by EMAS. Most of the members needed simple, participatory methods to help them with the establishment of a “balance sheet” of their activities and with an action plan for the future. Nine members have adopted the system.

3.5 Customers

Similar to the enterprises, the range of goods on offer and the business fields in the Second-Hand sector, its clientele is also very heterogeneous. It is a special feature of the sector that private customers can be both – buyers and sellers. Some business fields seem to attract people with lower incomes. This group of people accounts for a big share of customers of the non-profit enterprises as the goods are partly given away free of charge to those in need. In general, however, there is no difference between the clientele of profit and non-profit enterprises. Apart from customers who do not have the means to purchase new goods there are also clients who are looking for curios. In some countries (e.g. in Finland) target groups could be identified who prefer Second-Hand goods because of their sustainability or partly for fashion reasons rather than based on economical considerations. In general, two parallel trends have been developing in Europe. On the one hand the precarious economic situation of many private households results in a greater number of people who are no longer able to afford expensive new merchandise. On the other hand, there is an increasing number of persons who prefer Second-Hand items due to their ecological philosophy or because the goods are considered “trendy”.

On the whole no differentiation according to age, sex, social status and education could be identified for the European customer structures – with the exception of special business fields or distribution forms. One example is the bazaar of the Magistrate’s Department of Vienna where used electrical and electronical appliances are sold. The customers of this market are mainly persons from Central and Eastern European countries who repair the appliances and resell them in Eastern Europe (currently above all in the Slovak Republic and Romania). Some specific product groups have a clientele according to the purpose of use: children’s equipment and clothing is mainly purchased by mothers of all income classes.

The motivation of individual customers to buy Second-Hand goods arises from a combination of factors such as:

- the desire to make a contribution to a charity organization,
- a bargain-buy,
- the ability to make a profit,
- wishing to help protecting the environment,
- to purchase retro clothing,
- to obtain goods no longer available in mainstream retail outlets (antiques etc.).

Goods that are not sold to individual persons are often sold in bulk to businesses e. g. Cancer Aid, or other charity organisations. Great amounts of textiles are sold to recycling companies specializing in the production of rags.

Besides different motivation for the purchase of Second-Hand goods, the customers apply different criteria with the purchase. A good price, brand names, quality and guarantees but also a good customer advisory service and other services play an increasingly important role. An overview of the importance of different purchase criteria of Second-Hand customers is provided by a market analysis in the field of Second-Hand electrical appliances¹⁸ carried through in Austria in the year 2006 (cf. Figure 11) that had researched more detailed information on the customer structures in the Second-Hand sector¹⁹.

33 per cent out of 49 persons interviewed in a recycling company indicated that they had already bought Second-Hand appliances earlier: e.g. TV sets, printers or HiFi equipment stemming from a flea market, taken over from private persons or obtained as a trade-off item. The most important criteria for the purchase of a used electrical device were the price and the quality. For around two thirds of the persons interviewed these seem to be the criteria for the purchase of used electrical appliances. The guarantee takes third place. Around half of the interviewed persons thought that it is important to have a guarantee for the items. Around one third of the interviewees attach great importance to consulting. The brand name of the used items as well as additional service offers only plays a subordinate role. This does, however, not mean that customers would not value it. The column "miscellaneous" often mentioned functionality and/or performance of the appliance (7 nominations).

Aspect	Interviewees attaching importance to the respective aspect	
	Number	% of interviewed persons
Quality of the appliance	33	67
Price	33	67
Guarantee	24	49
Information, consulting	16	33
Brand name	12	24
Repair options in the same store	12	24
Help with installation/ starting-up	12	24
Miscellaneous	12	24
Brand-new	9	18
Transport service	7	14
Choice in the store	5	10
Design	3	6

Figure 11: Aspects which are important for the interviewees for the purchase of a Second-Hand electrical appliance (multiple nominations permitted)²⁰

¹⁸ Study „Schaffung der Voraussetzungen zur Bildung eines Wiederverwendungskreislaufes für Elektro(nik)altgeräte“; Spitzbart M. et al., 2006

¹⁹ There are no comparable surveys available in the other countries participating in the project.

²⁰ cf. M. Spitzbart et al (2006)

Furthermore the study tried to find out whether there was a connection between the purchase of Second-Hand appliances and socio-demographic characteristics. It was shown that there is no statistical correlation between age, sex, income, education or employment situation of the interviewees and their intention to buy Second-Hand items. The evaluation of the study revealed a similar result for the question whether the interviewees would be able to name the location of a Second-Hand store. The question of who had already bought Second-Hand appliances revealed significant differences in terms of sex. 50 per cent of all interviewed men and just 5 per cent of the women approved that “they had already bought Second-Hand goods”.

It must be underlined that the results of the Austrian survey presented here are only based on 49 interviewed persons and can therefore just give an impression of the attitudes of the test persons. The survey is not representative, neither for Austria nor for Europe. Nevertheless it shows possible trends in the behaviour of the buyers of Second-Hand electrical appliances. On the whole and based on the available data, no group could be identified that would be more open for the purchase of Second-Hand appliances. The circumstance that men have already bought a Second-Hand appliance significantly more often than women might also be due to the fact that new electrical and electronic devices are also purchased more frequently by men than by women.

Nevertheless it may be assumed that the gender differences in terms of the purchase of individual product groups in the Second-Hand sector are similar to the purchase of new items.

3.6 Employment figures and employment structures

3.6.1 Employment figures, levels and structures in profit enterprises

There are hardly any statistically researched employment figures for the defined Second-Hand sector for Europe and/or the participating countries. An average private commercially organised European Second-Hand enterprise (managed by the owner) must basically operate with little staff (one to three persons, even with big sales areas). These companies often operate with unskilled workers (if the need arises). These workers are only rarely employed permanently because the economic profit of these companies is often too small to cover personnel costs. No changes are to be expected in this respect as the Second-Hand market seems to be stagnating in this field. The Second-Hand trade on the whole makes too little profit compared to the turnover of goods and the required spaces for storage, refurbishing and sales. In the field of the profit enterprises this is especially evident because these companies employ less employees eligible for public support or wage subsidies. Thus the ratio of the personnel and the turnover of goods and/or the financial turnover in profit enterprises basically differs from the figures for non-profit enterprises. In the field of profit enterprises it is likely that – depending on the range of goods, the location and the size up to 100 m² of show rooms – only one full-time position can be regularly financed from the proceeds of the companies. There are only a few bigger profit enterprises with several employees. Profit enterprises in European countries normally operate with a staff of less than ten employees.

This is also confirmed by the statistical figures on employment presented by Finland. They only stand for a limited part of the Second-Hand sector and will serve as an example here:

According to Finland Statistics there were 1,258 employed people in 753 Second-Hand stores in 2005 (antiques, motor vehicles not included and outdoor flea markets). On average, there were 0.8 employees in Second-Hand book and sound storage media stores and 1.9 employees in other Second-Hand shops (Finland Statistics, 2005). It has to be kept in mind that these figures do not include all Second-Hand shops because of statistical difficulties. Nevertheless it is obvious that it is still a quite small sector and the enterprises are typically small enterprises. According to representatives of different enterprises and organizations, employees were quite equally divided among all age groups.

Another example for the small number of employees in the profit area is given by Germany's "Statistisches Bundesamt" (Federal Statistical Office) in a publication on structural data of the retail trade in 2003. According to this paper, the retail trade with used goods (including antiques) employed around 13,000 full-time employees in 2003. Compared to the number of enterprises, this results in an average of three persons engaged per enterprise. 25 % of the employees had part-time contracts with a share of women of 50 %. Furthermore the statistics indicate that around 42 % of the employees are family members of the owner²¹.

Finally it has to be stated that the employment figures are not likely to have increased during the last few years in spite of a positive economic development of most European enterprises. Increased pressure by competition, the introduction of merchandise management systems with the aim to increase the efficiency has not resulted in an additional need for personnel.

3.6.2 Employment of disabled and long term unemployed people in non-profit (social) enterprises

While the turnover takes the first priority in the private economy, the social-economic companies in the European countries aim above all at the employment and the reintegration of disadvantaged persons into the first labour market and make use of the Second-Hand sector as a "means to an end". This means that the companies try to offer temporarily limited jobs to people who – for various reasons – cannot find work in the first labour market. These persons also get further social and professional training in order to facilitate their reintegration into the labour market. For this reason, the socio-economic enterprises are eligible for state subsidies e.g. wage subsidies for the employment of long-term unemployed people and can thus work with a high number of temporarily employed staff. Apart from changing and temporarily employed persons, these companies mostly have a small full-time staff, above all on management level and some key employees (among them also social workers). The majority of these employees are transit employees who have contracts between six months and a maximum of two years. Afterwards they are reintegrated into the first labour market. In the countries participating in the project, these companies are assigned to employment categories II to III²² (full time personnel). The Finnish model of the social enterprises is even based on the employment of handicapped and disadvantaged groups of persons (30 per cent of the total number of persons employed). According to estimations in Finland, there is a total of about 430 persons employed in social enterprises. In 2004, when the first social enterprises were established, the average number of personnel was 18. In 2005, however, the average number of personnel was only 3.7 and in 2006 just 2.4 persons. (Saikkonen,2007.) Usually only a few foremen are employed in social enterprises like in Tervatulli Ltd., but at least one for each business field (Kainulainen 2007). In the Työ ja Toiminta Association and Neo-Act Ltd., for example, the total number of employees is 120. Only 15 persons have permanent jobs, 40 hold temporarily limited contracts and the rest are hired and financed through wage subsidies (Niukkanen 17.4.2007). All of the interviewed representatives of social enterprises additionally employed a couple of project workers funded through other institutions like the EU or the government.

There are different kinds of models of employment for disabled and long-term unemployed people in the European countries. As it is obvious that the governments will have to support all kinds of potential employment models in the future because of the high number of long-term unemployed and disabled people who might be suffering of mental problems and of

²¹ vgl. Statistisches Bundesamt (2006): In: Roßmann P./Wein E (2003): Strukturdaten des Einzelhandels im Jahr 2003,

<http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Content/Publikationen/Querschnittsveroeffentlichungen/WirtschaftStatistik/BinnenhandelGastgewTourismus/StrukturdatenEinzelhandel2003,property=file.pdf> (Zugriff 30.12.2007)

²² Employment categories according to ITB Uni Bremen, 2006

I = 1 - 9 persons engaged
II = 10 - 19 persons engaged.
III = 20 - 49 persons engaged
IV = 50 - 499 persons engaged.
V = mehr als 500 persons engaged.

alcoholism related problems, there will be a great potential for employment models. Non-profit enterprises must work very hard on getting the long-term unemployed and disabled people back to the labour market which is no easy task. Especially for long-term unemployed or disadvantaged people without any professional skills and for older people a subsidized work period is a good way to get them back into society but it is very challenging to reintegrate them into the labour market.

3.7 Regulations and legislation

3.7.1 The trade sector

The legal framework conditions on the European economic market are varied according to the national framework conditions. As the Second-Hand sector is assigned to the economic branch of trade, the legal stipulations for the sale of goods laid down there are also applicable for the Second-Hand sector. As the legal stipulations of the trade sector do not differ basically, the regulations of the UK will be given below as an example:

In English law the purchase of anything (new or Second-Hand, privately or from a business) is considered a contract. The Sale of Goods Act 1979 implies certain terms for a contract for the sale of goods. A breach of these terms will amount to a breach of contract.

- Section 12 of the Act implies a term that in any sale the seller is entitled to sell the goods in question.
- Section 13 implies a term that any goods sold must correspond with any description applied to them.
- Section 14 implies a term that goods sold are of satisfactory quality (i.e. they meet the standard that a reasonable person would regard as satisfactory).
- Section 15 implies a term that where there is a sale of goods by description there is an implied term that the bulk of the goods will correspond with the description²³.

It is worth examining some of the history behind Section 14 of the Act, the implied term as to “satisfactory quality”. Section 14 originally implied a term that goods be of “merchantable quality”, i. e. fit for the purpose for which goods of that type are normally bought. The amendment to satisfactory quality expands and develops the requirement of merchantability to include such things as the finish and appearance of goods. This is applicable to Second-Hand goods subject to a reasonable adjustment to take into account the generally lower price of Second-Hand goods as opposed to new ones and the “de minimus” principle that minor or trivial imperfections (minor scratches or discolouring for example) would not apply.

Furthermore in non-profit enterprises legal stipulations concerning the employees are clear in most European countries (also cf. Chapter 3.2.3). In Finland e. g. social enterprises and other non-profit organizations can get wage subsidies but they have to employ a share of 30 % disadvantaged or long-term unemployed persons. The recognized non-profit organizations like Salvation Army and UFF do not have to pay value added tax because they are public charity organizations (Silander 16.4.2007; Auravuo 17.4.2007).

Apart from the basics of pure trade law, the trade with Second-Hand goods is also subject to tax legal stipulations if the enterprise is a professionally run official shop (The one-time sale of used goods by private persons is not subject to taxation). Furthermore it should be underlined that there are numerous legal framework conditions in terms of organized collections of Second-Hand goods (e.g. textiles) and that the collection and re-use of waste of electronic and electrical equipment is regulated by the European directive WEEE which will be further described in the next Chapter.

²³ Sections 13, 14 and 15 are applicable only when the seller is acting in the course of a business.

3.7.2 Ordinance on used electrical appliances and/or EU Directive on Waste Electrical and Electronic Equipment

In order to reduce the increasing amount of electronic scrap from electrical and electronic appliances no longer in use, the EU passed the WEEE Directive 2002/96/EG in 2003²⁴. The aim of the directive is the avoidance, the reduction and the environmentally friendly disposal of the increasing amounts of electronic scrap by extending the responsibility of the product manufacturers. The EU directive is a legal standard of the European Union, mandatory for every EU Member State and had to be implemented in the respective national legislation by August 2004. The choice of the form and the means of this implementation was at the discretion of every government. Along with the legal implementation, the individual Member States were urged to establish a national return system. Sanctions were determined by the Member States which apply in case of a breach of the directive.

The directive differentiates the following groups of products of electrical and electronic appliances:

- Household appliances (e.g. refrigerator, washing machine);
- Small household appliances (e.g. toaster, vacuum cleaner);
- Office and telecommunication devices (e.g. personal computers, printers, telephones);
- Appliances of entertainment electronics (e.g. TV sets, HiFi);
- Lighting fixtures (above all fluorescent lamps);
- Electrical or electronic tools (with the exception of stationary industrial machine tools);
- Leisure and sports equipment (e.g. fitness machines);
- Medical appliances (with the exception of all implanted and infected products);
- Monitoring and control instruments;
- Automatic tellers (e.g. ticket machines).

The directive is applicable for the production, disposal, treatment and re-use of the used appliances. With regard to the concept and the production of electrical and electronic devices, those companies will be supported which consider the disassembly and the re-use of their products during the planning and design process and thus facilitate the recycling of used appliances. In terms of disposal, the quantity of unsorted domestic waste along with used electrical and electronic appliances is to be kept low. A separate collection of the latter must be established. With regard to used electrical and electronic appliances, the Member States must safeguard the following procedures as per August 13, 2005:

- The final users must be able to return the used goods free of charge;
- The sellers of a new product must safeguard that used appliances of this type can be returned one by one and free of charge;
- The producer must establish and operate individual or collective return systems;
- The return of tainted used appliances which threaten the safety and the health of the staff, can be prohibited.

These ordinances have been implemented via numerous regulations for the producers:

- They have to ensure the collection of used electrical and electronic appliances from private households.
- They have to apply state-of-the-art treatment, re-use and recycling techniques. This procedure encompasses the removal of all liquids and a selective treatment which is defined in detail similar to the stipulations on storage. The institutions charged with the waste treatment must apply for a licence at the responsible authorities.
- They have to establish systems for the re-use of separately collected used electrical and electronic appliances.

²⁴ vgl. Website der Europäischen Union zur Zusammenfassung der Gesetzgebung: http://europa.eu/scadplus/scad_de.htm [21.09.2007]

- They have to indicate the volume of the used electrical and electronic appliances fed into and retrieved from the treatment, re-use or recycling plant.
- They have to finance the collection from the collection points as well as the treatment, the re-use and an environmentally sound disposal of used electrical and electronic appliances from private households.
- They have to guarantee that they will finance the disposal of all sold products once they reach the end of their lives.

The above mentioned requirements and objectives have been implemented quite differently by the EU Member States due to different national legal framework conditions. The summary of the European Directive WEEE gives an impression of the variety of regulations and legal framework conditions governing the market for used electrical appliances²⁵. The numerous requirements that the new directive has imposed on dealers of electrical and electronic appliances also led to the fact that apart from the recycling of used appliances the trade with these goods has also increased.

3.8 Network structures, co operations and associations

3.8.1 General network and association structures in Europe

In the European countries there are no umbrella associations for the entire Second-Hand Sector. Thus there are no network structures which could unify the entire sector. The better part of the Second-Hand Sector is not organised (except in Belgium), but there are federations or bodies and other co operations covering certain parts of the sector. For example, there is a network called "RREUSE" in the field of non-profit enterprises or in the re-use business. It represents and supports national networks and federations of social economy enterprises (non-profit enterprises) from 11 European countries which carry out activities in re-use and recycling. Among the members count the existing national and regional non-profit networks active in certain waste economy streams as well as individual organisations, particularly where specialised networks are not yet operational. The aims of the network are:

- Encourage and strengthen the collaboration between the member organizations in order to promote good practice, research and development of activities and partnership;
- Enable member organizations to exchange information concerning national and local policies, legal and fiscal frameworks with regard to re-use, waste management, import and export and social provisions;
- Represent and promote the sector and its activities on all relevant European and international levels.

Altogether the European network combines both social and environmental objectives and gives them equal emphasis. The professionalisation of the Second-Hand sector through networks and co operations has only developed fairly recently. In the European countries these networks can be:

- Associations of Charity Shops,
- Local Authorities,
- Chambers of Commerce and Trade,
- National Market Traders' Federation,
- Local or national recycling networks.

Most of the countries participating in the project have association and network structures on a national, regional or local level. These structures have in common that they aim at

²⁵ The two years limitation period for used electrical equipment which exerts considerable influence on warranty claims (Ordinance on the purchase of consumer goods 1999/44/EG) has already been described in Chapter 3.3.3.

professionalisation and exchange in the broadest sense. They may focus on information, further training and development of image-enhancing campaigns for smaller and medium sized privately owned Second-Hand enterprises. Specialist groups also stage tailor-made symposiums and workshops for non-profit enterprises within the frameworks of corresponding national frameworks.

Only a small proportion of the companies is organized in specialist associations. They are, however, often networked with non-specialist actors (church, workers' welfare etc.) and/or are members of retail associations. The establishment of more uniform structures is in the planning phase in order to safeguard product quality and common marketing strategies and to enhance the sector's external representation. At the moment, however, it seems that due to its heterogeneity and rather low value added the sector is struggling with a resource problem in some European countries on a meta or association level. In most of the countries participating in the project, the most remarkable form of association for companies is the political lobbyism.

The described structures often do not have a sound financial basis which would ensure an effective association work. Some important results were already drawn from some publicly funded project approaches. Nevertheless it is still a long way to go towards the formation of a fully-fledged association capable of acting and with adequate personnel resources. Therefore branches and branch associations do not play a tangible public role in terms of exerting influence on political actors and the image of the trade with Second-Hand goods. Overall these institutions are not positioned in an adequate way and have too little resources in order to be representative and capable to act in these fields.

Belgium with its networks, structures and political pressure groups acting for the Second-Hand sector reveals very strong networking trends compared to the other project countries. As for the profit enterprises there are some franchising networks that regularly acquire new members. These enterprises are thus represented by networks like Eco-shop (16 shops), Troc-international (27 shops), etc. Remarkable network structures can also be found in the non-profit area (e.g. the KVK and the RESSOURCES networks).

Another example for the development of network structures is an association for the support of the Second-Hand trade "Second-Hand vernetzt e.V." of North Rhine Westphalia. This association encompasses numerous small and medium-sized Second-Hand profit enterprises with different product lines and operational forms. The common objective of the members of this association is to improve the image of the branch, to increase the degree of popularity and to offer more professionalism, originality and quality to the customers. Nevertheless it must be underlined that this association is the only one in Germany with an exclusive membership of Second-Hand enterprises. As mentioned above, Second-Hand enterprises can also join a variety of other associations. Besides the comparatively weak association structures in Germany, there are above all smaller networks and/or co operations between profit enterprises mainly concentrating on the joint acquisition of goods or the exchange and/or the sales of these goods. Similar developments can be observed in Austria where only a few enterprises are now cooperating for a better marketing of their used goods.

In Great Britain and Finland network structures can predominantly be found for bigger organisations running a number of Second-Hand shops either of the profit type (Finland) or the non-profit type (Great Britain). These shops are then networked by umbrella organisations. In Slovenia and Bulgaria no networks in the Second-Hand sector could be identified due to the fact that this sector is still quite underdeveloped.

Overall there are only few and/or rudimentary networking activities of profit enterprises in most of the countries participating in the project. Large associations or networks such as in other branches (e.g. handicraft, car industry) are currently nonexistent in the Second-Hand sector. Compared to the existing structures for profit enterprises, the non-profit area reveals considerably more distinctive network structures. This is also due to the fact that the respective enterprises are often part of bigger organisations. The following chapter describes

in detail corresponding co operations and networks of non-profit enterprises. Examples from Belgium, Finland and Great Britain will be given as comparatively strong network structures could be identified for these countries.

3.8.2 Examples for networks and co operations of non-profit (social) enterprises

In the following chapter three examples of country-specific associations and cooperation projects in the non-profit (social) enterprises field will give an overview of the different structures of such networks.

Example 1: Belgium

In Belgium the non-profit actors are aggregated in two big networks. The most important is the Re-use network KVK with 33 re-use centres running 100 shops plus 8 WEEE-re-use centres. KVK is the central federation of all re-use centres in Flanders and was established in 1994. KVK is presently staffed with 10 people and is based in Antwerp.

The 33 re-use centres are enterprises with their own legal status. The mission is to proactively contribute to the realisation of the sector's goals which are the re-use of goods in order to extend their life-time and to reduce the burden of waste on the environment, as well as the provision of employment to low-skilled and long-term unemployed persons. The mission is realised by providing an adequate support to their members and monitoring their development. This is achieved through:

- Mutual collaboration in order to guarantee the realisation of the mission of the sector;
- Defending the interests of the sector towards local authorities, government and stakeholders;
- Supporting the members with the development of projects.

There is as well a project-related task-force composed of six people paid by members participating in projects providing:

- Specific member support,
- Long term collaboration (minimum one year).

KVK is a network with the aim of defending the interests of the sector in Europe (through its membership in the RRE-USE network), in Belgium, predominantly in the region of Flanders. Its policy action is targeted on European, Belgian and local authorities and on various stakeholders. Networking, lobbying and stakeholder management have brought many positive results such as the establishment of a re-use policy, the accreditation for re-use centres, the yearly financial support, a model agreement between re-use centres and local authorities, a reduced VAT of 6 % (down from 21 %) and the option to hire extra employees.

The KVK network offers basic support to all members who, in return, pay an annual membership fee. Support is given in the form of:

- Consultation of members, exchange of ideas and information, development of common visions and strategies;
- Supporting members to comply with the legal obligations;
- Development of guidelines, manuals and training measures;
- Registration, inventories, reporting, benchmarking;
- Supporting "slowly growing centres".

Membership fees are

- €0.005 per capita +
- 0.5 % of shop turnover +
- 5 % of additional annual Flemish subvention

The second large network of non-profit enterprises in Belgium is RESSOURCES officially constituted in February 1999. The pluralist network RESSOURCES federates all actors of social economy of the Walloon Area and of the Area of Brussels-Capital which collect, sort,

repair, recycle and resell products at the end of their lifetime. RESSOURCES federates 52 companies of social economy which employ 1,500 workers (equivalent to full time employees). The network receives the support of ten environmental organizations and social economy.

Its mission consists in federating firms by branches of industry and geographical areas. The member companies of RESSOURCES operate in the fields of recovery and recycling and in prevention. RESSOURCES mobilizes them around projects and helps them with the establishment of partnerships with both public and private actors. Amongst other services RESSOURCES supplies to its members a need analysis of the sector, the formulation of proposals for further development and support to enhance the companies' visibility. Moreover RESSOURCES accompanies local projects, supports proposals in order to integrate the social economy in the various projects managed by the partners (such as RECUPEL), organizes conferences and encourages the sharing of experience between its membership. The coordination work of RESSOURCES shows that there is quite a real demand for this type of services not only by members but also by local authorities.

Ultimately RESSOURCES wants to show that social economy is an essential actor of the environmental prevention: the members of the network show that a concern such as the prevention of waste production can become a driver for local development and a transmitter of solidarity. RESSOURCES supports the members in two ways: If a group can be organized around a project this is considered a federation project and RESSOURCES tries to get funding from the public sector. If the demand comes from only one member, then the support takes the form of a consultancy.

The basic quality criteria are the admission approach and members have to comply with certain criteria:

- All members must comply with the four criteria of social economy, i.e.:
 - The services offered are for the members and the community;
 - Autonomy of management;
 - Democratic decision processes;
 - People and work get priority on capital;
- The members can have any legal structure as long as they adhere to the principles mentioned above.

Example 2: Finland

In Finland, SEKY is an Association of Finnish Electrical Waste Recyclers which runs a nation-wide network of social economy actors with currently 14 members offering electronic and electric waste recycling services for producers and importers under the WEEE directive (Kallio 1.2.3007). Whenever possible their methods give priority to repair and re-use instead of dismantling and material recycling. The members of SEKY are providing a lot of work places for unemployed people. Around 1,150 persons were working at the member organizations in the year 2005 (SEKY 2.4.2007.) SEKY is also a member of the international network Re-use and Recycling of the European Union Social Enterprises (RREUSE), a specialised European network of national and regional social economy federations and enterprises with re-use and recycling activities (RREUSE, 2007).

Example 3: United Kingdom

In UK the Association of Charity Shops was formed in 1999, and is now a major player in the Second-Hand market. It employs six paid employees plus occasional volunteers. Members range from the largest national charities to locally based hospices and run between them 6,700 shops. In 2005, the Association launched the Code of Charity Retailing in response to the government's encouragement of increased self-regulation in charity fundraising. It continues to lobby government on key policy issues to ensure the regulatory framework is as supportive as possible. The aims of the Association are:

- To develop good practice in charity shops;
- To lobby national and local government in the UK and in Europe more effectively;
- To improve the efficiency in all shops by providing and sharing information;
- To promote charity shops to the general public;
- Communicating and working with members;
- To improve contacts with local councils, businesses and suppliers;
- Working closely with other voluntary organisations.

3.8.3 The role of the Social Partners in the sector

On the whole it can be noted that the Social Partners (Trade Unions and employers' associations) in the partner countries exert no or just very little influence on the Second-Hand sector as the majority of the enterprises is too small. Collective bargain regulations only play a role as soon as the Second-Hand enterprises are part of bigger organisations. In addition, the trade unions are partly even associates of some employment or qualification companies. In addition there are country specific constellations where the trade unions partly play a important role. After the German reunification, rescue companies were created to cater for the masses of persons who lost their jobs in the enterprises formerly owned by the people. The trade unions are partly still represented in these companies that have developed from these institutions. Some of them are actors in the Second-Hand sector.

The Social Partners in Austria also play a limited role in the Second-Hand sector. Apart from the trade unions and the Chamber of Economy, further institutions also form part of the system of an "economic and social partnership". Thus the Austrian Social Partners aim at financing socio-economic projects in order to support the re-entry of disadvantaged persons into the normal working life. With respect to the Second-Hand sector, this objective is mainly aimed at non-profit enterprises with Second-Hand goods activities being just a part of their business. A direct and active role is above all played by the Austrian Chamber of Economy which considers itself part of the Social Partners. It organises further training for Second-Hand traders (profit enterprises) or journeys to other European flea markets for the private economic area in order to support an exchange of information. In addition the Chamber publishes a simple newsletter "*Der befugte Altwarenhändler*" (The authorized Second-Hand Trader) and organises an annual specialist symposium. It has to be underlined that the Viennese Chamber of Economy mainly encompasses traders from Vienna and that the other federal states do not have an agency of their own. They are partly serviced by the Vienna branch.

The Slovenian Social Partners (e.g. employers and trade unions/ associations) only play a role in terms of the planning, programming and the provision of vocational education.

4 Trends and forecasts for the economic development of the sector

The analysis of the Second-Hand sector and its structures reveals that its standing is very heterogeneous throughout Europe. The sector is differently developed in the countries participating in the project and there is a number of country-specific differences. The development of the Second-Hand sector is differently advanced in the individual partner countries and is likely to continue to develop differently also in the future in terms of societal and legal framework conditions. Overall and based on the results of the individual national sector analyses, certain trends could be identified that eventually allow some statements on the future economic development of the sector in Europe. Of course only tentative forecasts may be formulated as there are too many variable factors – e.g. customer behaviour, offer of goods, legal framework conditions, new sales markets – which are likely to influence the market also in the future. In order to further describe the development of the sector, the following chapter gives an overview of the development and tries to give some possible prognoses with regard to the different criteria playing a role in the Second-Hand sector.

4.1 Prognoses of the development of the profit and non-profit (social) enterprises in Europe

The heterogeneity of the sector makes it difficult to formulate a general forecast of the economic development of the Second-Hand sector in Europe. On the whole a slight trend towards a future growth with a focus of the sector on certain business fields can be (carefully) stated. This will above all depend on the importance of the sector in terms of environment issues (sustainability and environmental pollution) and social aspects (integration of unemployed persons, aid for developing countries). On the other hand factors such as the increasing conscientiousness of the population for these issues and/or a renaissance of these topics in the European society are very important. The global environment will have a major impact on the development of all economies and will of course have an effect on the Second-Hand sector. With regard to future developments a representative of the Association of Charity Shops in UK stated there will be “a growing awareness by the public of green issues that will be a positive force in recognising that buying Second-Hand and re-use generally must become more mainstream if the planet is to survive in the long term”.

Furthermore the sector analysis of the partner countries participating in the project have shown that according to the structural differences in the Second-Hand sector and the various legal and societal framework conditions there are also different assessments for the development of the sector. The development forecasts presented by Bulgaria and the UK will give an idea of two very differing opinions concerning the future development of the Second-Hand sector. In March 2005, Nikolay Staykov, a Bulgarian economist, wrote an article for the magazine “*Capital*” and stated that the Second-Hand sector was one of the sectors whose functions were fading. In his work entitled “10 Rising and 10 Declining Businesses” he defines the Second-Hand import as a declining business. According to him, the Second-Hand trade is fading and this will first be reflected by Second-Hand clothes. From his point of view the reason for that is the cancellation of duties on Chinese textiles in the beginning of 2005.

In UK on the other hand many think that because the society and new technologies have created a dynamic environment, the nature of the Second-Hand market has been able to evolve. Dan Nissanoff, author of “*Futureshop*” states that “society is moving from an accumulation nation into an auction culture. It is a philosophy that recognises temporary ownership as a more efficient way to own things”. This has had an effect on both individuals and organisations, on how they operate and the factors that impact upon them. Many Second-Hand sales are done by individuals who are realising that there is a considerable amount of money lying dormant in their homes, and that this money can be realised through car boot sales, ebay or classified advertising. Oxfam research indicated that “The global trade in Second-Hand clothing is worth more than \$ 1 billion each year”. Therefore it can be expected that the wealth of the society and its consumer philosophy will lead to getting rid of still usable goods in order to acquire new ones. On the other hand the traders are more aware of the fact that used goods still have a value and that it makes sense to sell them. Therefore there will also be a market for used goods in the future.

The above mentioned contrary opinions on the future development of the Second-Hand market clearly reveal that it is extremely difficult to forecast the future of the private-economic area of the sector. Currently the two developments are progressing side by side. On the one hand, the trade with used goods seems to become less attractive as the prices for new goods get lower and lower due to the positive economic development in Eastern Europe or Asia and the developing market of discounters. On the other hand, however, the society has become more aware of the environment and there is a larger proportion of persons with low financial power. This has a favourable impact on the Second-Hand sector. Another aspect for the further existence of the trade with Second-Hand goods is the political discussion of the protection of the environment. Although the EU Directive WEE on electrical and electronical waste is so far the only legal stipulation for re-use, an increase in the waste

volume is a guarantee for further directives for the re-use of other used goods in the long term.

Compared to the profit enterprises whose future development could easily follow different directions, no distinguished development can be forecasted for non-profit enterprises.

Thus non-profit enterprises have developed different future strategies. They offer proximity services and re-used goods are sold with up to one year guarantee. Furthermore they have put in place quality systems and, more important, they succeeded in negotiating service-contracts with local authorities and have managed to see their role recognised and supported by decision makers. Moreover they have been recognised as official actors within the waste management system. This gives them the possibility to access the products at their sources and to collect a relatively important quantity of different goods. One good example in that respect is the participation of non-profit enterprises in the collection and treatment of waste of electronic and electrical equipment. On the whole it can be assumed that the non-profit enterprises will also form part of the Second-Hand sector in the future. These enterprises often work according to social aspects and give away used goods to those in need. In addition they serve as a kind of stepping stone to the first labour market for many disadvantaged workers. However, it must be stated again that the Second-Hand business in many non-profit enterprises or charity organisations is only one business field out of many others. Nevertheless this business field is already established there and will form an essential part of these businesses also in the future.

4.2 Prognoses of the development of turnover figures, sales markets and customer structures

In terms of economic statistics, the Second-Hand branch is only recorded to a very limited extent in most of the European countries participating in the project. Altogether it seems that one of the most important things for the development of the Second-Hand Sector is the consumers' changing attitudes towards the environment and the field of Second-Hand. Because more people are thinking "environmentally friendly", Second-Hand goods will become more wanted and approved. Eskelinen (13.4.2007) from the Red Cross Recycling Department Store Chain in Finland says that people are satisfied if they can help the environment by donating and buying used goods and knowing that the organisation also invests into development projects in the poor countries. In addition, "retro thinking" and all kinds of "tuning of old cars and refurbishing of furniture" has nowadays become a trend. It will be interesting to see if this means a permanent change in consumer attitude. In Finland there is an own community of Second-Hand fans – predominantly young people who are interested in retro articles and consider the purchase of Second-Hand goods trendy. A similar trend is also emerging in other European countries.

But there is also another reason for the development of an increasing Second-Hand market: There are many people who simply cannot afford classy and expensive clothes or furniture. This group of potential customers might encompass students, seasonal workers, immigrants, refugees or other disadvantaged people. In recent years (2002 to 2006), a tendency towards a better development of the Second-Hand market in small towns rather than in big cities, municipalities and villages could be observed, e.g. in Bulgaria. This can be explained with the level of incomes. Consumers living in big cities have higher incomes and big shopping centers are located there. These centres provide profitable payment schemes and they can offer more competitive prices than smaller shops. Therefore some of the customers prefers new goods to Second-Hand goods. With regard to other partner countries the studies revealed that Second-Hand shops have no chances to survive in cities with big shopping malls, e.g. in Germany's numerous commercial zones or the main shopping streets in the cities. Second-Hand shops are usually located away from the shopping districts. Nevertheless it may be assumed that the number of Second-Hand shops will also increase in the inner cities, above all those shops specializing in certain products (e.g. used designer fashion articles).

With regard to the sales structures of the Second-Hand market all European countries participating in the project have come to the same forecasts: The sale over the Internet will play an important role and will hold a further increasing share of the market in the years to come. The internet platform ebay has completely changed the way Second-Hand articles are traded by expanding the target group to international levels. It makes it easy for people to get rid of stuff they no longer need and to incite them with an entrepreneurial esprit to become professional Second-Hand traders without encountering too many difficulties (and often without having to pay taxes). It is useful here to consider a statement made by one sole trader, a Second-Hand book shop proprietor in Blaenavon (UK): "Online selling can either be viewed as a threat by business, allowing individuals to buy and sell privately and usurp the role of business, or as an opportunity for businesses to increase their profits by embracing the technology." An investigation of eMarketing within the Second-Hand Book Trade, published in June 2006 by Annabel Lloyd-Jones and Anthony Davies from Cardiff University stated: "The growth of eCommerce has had an impact on rurally located independent booksellers who can no longer rely on the loyalty of their customer to travel to them which has had subsequent effect on the sustainability of the economy." It is undisputed that the online trade will be an important distribution platform of the future. However, it remains to be seen which strategies will be developed by the different companies and how they will make use of the option of Internet selling.

4.3 Prognoses for business fields and products

With regard to the existing business fields and products of the Second-Hand sector, future changes are to be expected. This is due to the fact that the Second-Hand sector depends on societal changes and legal framework conditions on the one hand and on economic influences on the other hand. Corresponding different changes will therefore emerge due to the current heterogeneity of the sector and its varying standing in the individual partner countries. Nevertheless some trends with a cross-country relevance can be identified.

Changes can be forecasted above all with respect to the market of used clothing and the Second-hand furniture market. The market for used clothing all over Europe has been facing a strong competition by the swiftly developing discounter stores. Thus many people with a low income or no income at all do no longer exclusively rely on Second-Hand clothing in order to save on their monthly budget. Such a consumer behaviour can above all be witnessed in the countries of Eastern Europe and is partly due to the so-called "backlog demand" of the society based on the history and the political past of these countries. Nevertheless it is expected that the Second-Hand trade with textiles and clothing is likely to increase in countries such as Bulgaria and Slovenia as it is still very limited. There is enough future potential to further expand the market and to establish the trade with used textiles and clothing. Similar customer behaviour can also be observed in the Western European countries. However, also a counter movement (such as described in Chapter 4.2) is obvious there. Generally it can be assumed that the trade with Second-Hand textiles and clothing will prevail in the field of Europe's private economy. Based on the changing environmental thinking and the attitude of the society towards Second-Hand products (among others the retro trend) a slight increase of Second-Hand shops on the textile and clothing market can be assumed. Likewise the number of specialized shops (e.g. bridal gowns, designer clothing, children's clothing) will increase whereas experts think that the trade with simple, standard textiles will vanish within the next 10 to 15 years. A few years ago, Second-Hand shops selling designer clothes were very rare. Today these shops can be found in almost all big European cities. The same is true for used children's clothing. The increase of specialized shops strongly depends on the demand of the goods offered there. Above all goods that cannot be afforded by many buyers in regular shops will have excellent chances to be traded on the Second-Hand market. Thus there will be a shift from shops with numerous different textiles towards specialized Second-Hand stores.

During the recent years the branch has also undergone substantial changes in the field of used furniture. Used furniture from legacies no longer seems to be interesting for the Second-Hand market as the so-called slab furniture can no longer be resold. In addition

there is currently a surplus of furniture manufacturers and department stores in Europe resulting in dumping prices on the market. Therefore the market for used “normal” furniture has become unattractive. Another reason for the decline of Second-Hand furniture stores in the private economy can be found in the society itself. There is a trend towards less pieces of furniture in the homes. If above all young people decide to buy used furniture they prefer genuine pieces in a top condition (frequently antiques). The demand for excellently kept old furniture still exists but the customers rather go for individual items. Similar to the fields of textiles and clothing, there are also groups favouring retro items and furnishing their homes exclusively with furniture of past eras. Based on the retro trend it may be forecasted that similar to the trade with textiles and clothing, the trade with used furniture will also result in more specialized shops. The general trade with traditional furniture, however, is likely to decrease.

While there will still be a trade with used textiles and furniture in the future with probably more specialisation, the trade with other product groups – such as used CDs and sound storage media – on the Second-Hand market is likely to vanish. In the long term Second-Hand shops not specialized in certain products will still offer corresponding products as an additional chain of goods. Nevertheless the sales of CDs and sound storage media will lose importance as the majority of the music and film market is already relying on the Internet. Next to everything is available there from special dealerships at low prices or even completely free of charge (this also applies for PC games, films and other digitalized media). The trade with new goods already complains about big losses in turnover compared to the times when the Internet was not yet available in every household. This explains the assumption that the Second-Hand trade with respective digitalized media will certainly lose importance in the future.

Even if the Second-Hand market is facing strong competition from cheap furniture and textiles on the new goods market, niches have already emerged in other fields. The EU Directive WEEE established in many EU Member States and the commitment to take back used electronic and electrical appliances free of charge has paved the way for a new business field in the Second-hand sector. Although there was a trade with used electronic and electrical appliances prior to WEEE in the different European countries, it has, however, increased after the directive’s coming into force. As the used electrical equipment represents the major part of the swiftly growing stream of used materials it may be assumed that this field of trade will also be represented in the Second-Hand trade of the future and is likely to increase. The trade with used electrical equipment is not easy as there are a lot of legal stipulations and regulations to be adhered to. In addition the market is developing very rapidly and the appliances are outdated after a few years. The trade with used electrical appliances is facing the same situation as the field of furniture or clothes: There are a lot of shops specializing in electrical and electronical appliances and discounters exerting pressure on the prices for new items. As the WEEE directive determines a high degree of re-use quota and given the fact that the industry and the specialized shops are not interested in this high quota, the Second-Hand sector should take the opportunity to envisage the legal stipulation of a high re-use quota (minimum of 10 %). This could support the trade with used electrical and electronical equipment. It may be assumed that there will be a lot of specialist shops in the private economy in the future. There are already a great number of shops specializing in the exclusive trade with big electronic appliances, computers and computer equipment or tools.

Apart from the four main product groups, Second-Hand shops specializing in other product groups (e.g. sports articles) will prevail even if they have just a minor share of the Second-Hand market.

The care for resources and the avoidance of waste, the preservation of cultural goods, social integration and the responsibility towards third world countries are aims of society which are promising for the future of the Second-Hand sector in Europe. From the point of view of the waste economy, the Second-Hand sector makes important contributions to prolong the duration of a product’s lifecycle. Thus the consumption of raw materials is decreased and the

closed loop waste economy is relieved. Second-Hand traders also contribute to the preservation of valuable cultural goods by sorting out valuable objects and by preventing their destruction. The trade with used goods will have this importance also in the future. The main motivation of non-profit enterprises is above all the social commitment for the integration of unemployed and handicapped or disadvantaged people. In the field of responsibility towards third world countries, the trade with used electrical appliances can be named as an example. According to insiders of the sector, there is a high demand for electrical and electronical appliances in the Eastern European countries. From a socially and ecologically responsible point of view it is therefore important to cater for this market with high quality Second-Hand appliances (e.g. outdated but still functional, repaired or repairable, mostly brand articles). Above all the non-profit enterprises and/or the bigger charity organisations which are often organised in networks and already show firm corporate structures have the opportunity to act in an exemplary way and to develop standards.

With respect to possible product and business fields orientated developments in the Second-Hand sector it remains to be stated that this sector must extend its offer by a range of service tasks in order to safeguard its standing in the face of the trade with new goods. Regardless of the offered product lines or the form of enterprise, good customer service and an extended service offer (e.g. disassembly, assembly of furniture, transport and delivery of goods) are already playing an important role in the Second-Hand sector today. It can therefore be taken for granted that aspects such as demand and customer orientation, safeguarding of quality, consulting etc. will be more important in the future.

4.4 Changes in the legal framework conditions

First and foremost the heavily regulated market for electrical and electronical appliances is likely to witness a further development of the legal framework conditions and stipulations in the European Union. The quotas for collections and re-use of waste will rather increase and the directives for the disposal will increase and/or get even stricter. The implementation of the directives in the European countries will be better controlled and sanctions will apply. Due to the increasing volume of waste in Europe, there will also be further directives in the long term regulating the re-use of other product groups similar to the directive applicable for used electrical appliances. Apart from the legal implementation of certain directives and legal stipulations on EU level, the individual Member States will also have to handle problems with waste disposal and re-use on a national level against the backdrop of the world-wide focus on the protection of the environment and the climate.

Apart from the environmental aspects and the corresponding legal framework conditions which above all apply for the Second-Hand sector, subsidization plays an important role for the non-profit enterprises operating on the Second-Hand market. Currently it is difficult to predict how individual countries will manage to uphold this way of financing. It may be assumed that the enterprises will also play an important role in the Second-Hand sector of the future as the social aspect is a crucial part of the companies' philosophies. This is true for both the collection of goods and donations and the distribution of necessary items to "the poor" and the option to support integration and to provide jobs for people with difficulties in (re)entering the first labour market.

4.5 Development trends within the enterprises

The development of European enterprises is moving towards an increasing professionalisation in all fields of action starting with the range of goods, the business concepts, the presentation of the goods, the standardization of business processes as well as the strategic planning and networking.

Second-Hand shops must present themselves in a modern way in order to promote their offer and the sales of the goods. The customers expect the same "shopping experience" they are used to in other shops. Attractively designed stores which clearly make a difference compared to the "workshop sales" and/ or "flea market" ambiance frequently found in the sector, are better accepted by the customers. Therefore it is necessary that the goods are

very well organized and displayed. In Austria, for example, the “shop in a shop” concept can be frequently found. This means that a special range of cultivated or high-end products (clothing, china, jewellery, antiques) is displayed in separate and very pleasingly designed areas. The sector analysis showed that such well-conceived business concepts are gladly accepted by the customers. Apart from an attractive presentation of the goods in the stores it was also shown that a good customer service and a marketing concept turned out very supportive for the business.

Furthermore in the UK another innovation of recent years has been the clear development of “converging industries”. This refers to the process whereby organisations are expanding the breadth of products they sell. For example Remploy, a leading provider of jobs for disabled people, has expanded its remit to cover furniture, health care products, household goods and toiletries and the recycling and refurbishment of electrical and electronic goods. But also in other countries with Second-Hand department stores, e.g. in Germany, the range of the offer is constantly extended. The variety of the goods on offer generally depends on the availability of used goods, i.e. the amount of donations or sales offers. It may be assumed that a wide range of goods attracts more and a broader stratum of customers to the stores – and not only those with a focus on certain products such as e.g. in specialized Second-Hand stores. The extension of the range of goods is especially beneficiary for bigger Second-hand stores, department stores as well as for non-profit enterprises as their clientele mainly consists of people in need whose demand for goods is not focused on a certain range of goods.

Basically the well planned management and organisation seems to be one of the keys to success in Second-Hand enterprises. Many non-profit organisations and enterprises have realised that in order to survive the competition they have to develop their own management and organisation. The standardisation of the business processes, e.g. in terms of acquisition, means less expenditure in the long-term. In Red Cross Recycling Department Stores, e.g. in Finland, a lot of work was invested in recent years to make the business more professional by putting more effort to strategic planning and conceptualisation. Thus the foremen of the department stores have a big responsibility. They have to have clear visions of how to achieve good results. The employees sorting the clothes have daily sorting goals. This increases the effectiveness of their work. In daily operations the teams take over their own responsibility for some work tasks. Thus all team members feel that his or her input is needed and they are more committed to their work (Kainulainen 29.3.2007). Also teamwork can yield more good ideas for the business (Eskelinen 13.4.2007). Furthermore the work tasks should be designed in a way that they correspond to the abilities and needs of the employees and thus help to achieve utmost efficiency.

Last but not least the cooperation between Second-Hand enterprises is important for the sustainability of the enterprises. Networks, national and international cooperation were felt to be quite important in all enterprises and organisations. The enterprises need to cooperate with other actors to joint their forces and to perform as credible business partners in a tough competition. Cooperation with other enterprises can save some expenses, especially in smaller enterprises, and bring out new ideas about business models. Many of the interviewees in Finland also stressed the importance of networking inside the country but also globally through associations as a key for the development of the Second-Hand Sector.

4.6 Change of work tasks

The work tasks in the Second-Hand Sector varying a lot and they depending on the different business fields in the sector. In general, there are some work tasks that do not require a lot of professional skills. On the other hand, however, there are work tasks calling for persons with very specific know-how. Altogether the Second-Hand Sector is based on the workforce rather than on machines. The employees are working with used equipment and other goods so that they need specific know-how about materials or electrical technology, for example to repair broken appliances or furniture. Starting from the collection of goods that can be done by using door-to-door systems or through pick-up points, to the selection phase,

refurbishment, testing and sale and eventually in some cases recycling of used goods, there are many more tasks involved. The nature of the skills varies depending on the task a person has been assigned. There are employees who disassemble or assemble electronic equipment or furniture. Others in turn are working in maintenance, sales, accounting, transportation, cleaning, and there are also various repair specialists for TV sets and computers and other electronic and electrical equipment. Moreover there are work tasks in marketing, advertising and/or public relations.

The required and adequate training is usually provided depending on the assignment. People who are responsible for selecting clothes e.g. have to know how to distinguish good items from bad ones and they have to distinguish between different kinds of fibres. They also have to know how to use machines for packing textiles for export. People who are responsible for the refurbishment of electronic appliances need a basic know-how about electronics. Mostly they are supervised by experienced professionals and make use of manuals for the different kinds of machines. This is very important as tasks such as the dismantling of old appliances often involve dealing with toxic substances that need to be handled with the highest care. With regard to the organization of collections of textiles, the majority of the work tasks are found in sorting and sales of textiles and other household goods.

Altogether there are some work tasks that do not require professional skills so that employees can be trained quite easily. Accordingly some work tasks are suitable for handicapped and long-term unemployed people that might not have an education. Still, there are also many demanding work tasks and it seems that more business skills and service attitude are needed for the majority of the work tasks in the future.

The expectations of the employers in the Second-Hand sector in terms of the required qualifications of their potential employees give an insight into the (future) work tasks in the Second-Hand sector. It is possible to identify the following list of relevant skills required for employees in the Second-Hand sector:

- Sustainable communication skills for dealing with the public/ the customers,
- Sustainable social competences,
- Sales skills/ customer care skills / dealing with customers,
- Knowledge on occupational safety,
- Knowledge on the evaluation of goods,
- Specialist knowledge / subject specific skills (e.g. materials),
- Basic First Aid,
- IT skills,
- Basic knowledge in legislation issues,
- Knowledge of Trading Standards.

Whilst we do not presume to suggest that the above list is entirely exhaustive, it illustrates the main requirements sought after by employers in their employees. Managers in the Second-Hand Sector need a range of qualifications and skills in addition to those referred to above, such as:

- Management,
- Project development,
- Research,
- Marketing.

5 Initial training as well as training/ qualification structures in the sector

As the sector analyses of the partner countries participating in the project have shown, the European Second-Hand sector does neither have a uniform initial training nor a qualification system. However, the survey has underlined that the individual partner countries have different qualification systems depending on the respective sector structures. In addition it could be shown that there are no uniform qualifications, not even on a national level. The

qualification approaches and/or models that could be identified in the course of the survey are partly depending on the respective company structures of the Second-Hand enterprises and are tailored to their individual needs. Nevertheless some approaches could be identified in some partner countries which are organised across the individual enterprises and are generally open for all persons engaged in the Second-Hand sector. The analysis of the European Second-Hand sector has revealed that this multi-dimensional sector with its numerous employees offers an abundance of potential for the development and establishment of reasonable qualifications. Against the backdrop of a continuity and growth of the sector it may be assumed that the need for more professionalisation entails the call for a good qualification of the persons engaged in the sector.

Thus the division of the sector into non-profit (social) enterprises and profit enterprises, the numerous different company forms and structures and the big range of products offer a lot of different employment possibilities in different operational fields such as acquisition of goods, processing, logistics, distribution, sales, marketing etc. and thus also a variety of qualifications. The development and the implementation of uniform qualifications is above all evident for areas where the same fields of tasks and work processes could be identified in spite of different corporate structures. This does not imply that no qualification is necessary wherever partly decisive and company-related differences apply. The need for qualification not only results from a wish for more professionalisation but also from an increasing demand for quality both on the part of customers and companies. Thus the sector analysis has underlined that above all bigger companies and/or concerns organised in networks and enterprises specializing in certain product groups attach more importance to the quality of their goods. In order to safeguard this quality, many of these companies have quality management systems considering the qualification of the employees as well as other forms of quality approaches.

The fact that there is no uniform and above all Europe-wide officially recognized qualification or initial training available for the Second-Hand sector cannot only be justified with the heterogeneous standing of the sector in the individual countries. The different working fields in the Second-Hand sector often do have points of contact with special fields of other sectors where training takes place. Nevertheless there are a number of special requirements exclusively entailed by the Second-Hand sector. Due to the assignment of the sector to the trade sector, there are a lot of interfaces with commercial occupations in terms of the necessary competences. Still the adequate training occupations do not reveal any specialisation for the field of used goods. The German framework curricula of the training occupation of a sales person and/or a retail salesperson does not include sector specific issues of the trade with used goods. Apart from the pure working fields and work processes typical for the trade, the Second-Hand sector additionally encompasses a variety of tasks which are usual in other fields, such as e.g. handicraft (e.g. the processing of goods) or marketing. Even the transport as well as the storage logistics represents an autonomous field. The various fields of work which can be found in other sectors as well also encompass a number of special requirements only present in the Second-Hand sector. The mere fact that the sector deals with used goods rather than with new ones requires different and special competences for the employees working in the different fields of work. This is where the qualification approaches identified within the framework of the analysis as well as the qualification concepts to be developed in the future comes in.

The following chapter gives an overview of the already existing and identified qualification approaches as well as the corresponding aspects such as the level of education, possible qualification concepts and strategies, organisation and contents of possible qualifications and networking of companies with educational institutions. It must, however, be underlined that only few Best-Practice approaches could be identified by the partners in their countries. Some companies did not allow a further look at their in-firm qualification systems. Nevertheless the compiled data may contribute to complete the overall image of the structure of the Second-Hand sector. They also form a good basis for the future and necessary development of uniform qualification courses in the European Second-Hand sector with the aim to further promote the professionalisation and to improve the quality.

5.1 Educational levels of the employees in the Second-Hand sector

5.1.1 The educational levels of the employees in profit enterprises

Corresponding to the differentiation into private economy and social economy and according to the different employment levels, the educational level of the persons employed in the Second-Hand sector is very different. In privately managed Second-Hand enterprises all educational levels as well as numerous occupational careers could be identified among the employees. Neither a uniform pattern nor a certain trend towards school graduations or occupational groups is visible. In all European countries there are no legal stipulations with regard to the occupational prerequisites for the trade with Second-Hand goods. The sector is open for everybody, regardless of his or her qualification or occupational career. No legally required knowledge in the field of commerce or handicraft (or in another specialist field) are required to work in the Second-Hand sector with one exception: The trade with used electrical appliances.

In order to avoid hazards caused by defective appliances and to ensure the safety during their handling, Germany has established the so-called VDE Directives. Along with numerous other stipulations, these directives lay down who is entitled to inspect electrical appliances and how these devices have to be inspected. The qualification "VDE inspection authorization" can be acquired in order to pave the way for laymen in the field of electrical technology to carry through this work. Without this authorization, the repair and/or the refurbishing of used electrical and electronical appliances is not allowed. Based on the open access, the German sector employs employees without or with a very low educational level as well as employees with a higher educational level, an occupational degree or experience in different fields of tasks and even academics. There is, however, a slight trend towards personnel with a higher education and/or a university degree on the management level. This applies above all for well-structured and organised Second-Hand enterprises with a larger number of employees and/or an own management. The full-time employees in accordingly large enterprises who are mainly working in the sales department partly have undergone commercial occupational training. Persons with handicraft training, on the other hand, can mainly be found in fields calling for their specialist abilities (e.g. Second-hand furniture stores, stores trading with used electrical appliances). Besides the employment level of the management and the full-time staff, the German Second-Hand sector is, however, also marked by a great number of temporary staff. Their educational level has not been assessed. It can be assumed that both un-skilled and semi-skilled workers with or without school graduations as well as academics are employed in this area.

Similar to Germany, the trade with used goods in Austria is a so-called free trade without any obligation to a training or authorization. According to the *Landesgremium Wien*, this area does not have any standardized training and the educational levels of the used goods dealers' ranges from former "clearers" without training up to academics such as graduates of the University of Commerce. According to statistical data provided by the *Landesgremium Wien* for the year 2005, 16 out of a total of registered used goods dealers were academics, seven were engineers. No statement could be given on the occupational background of the remainder of the used goods dealers. It can, however, be assumed that all educational levels can be found in the persons employed in the Austrian profit-oriented Second-Hand sector.

In Finland, on the other hand, the educational level of the sector is not very high, as the interviews with Second-Hand experts revealed. Generally it could be shown that the employers of the Finnish Second-Hand sector like to hire people with a commercial or technical training (explicitly with respect to the repair of used electronic and electrical equipment). The majority of the persons starting work in the sector comes from different branches and has very different occupational backgrounds.

In the UK the Second-Hand sector has a great number of employees with different educational levels. Above all in smaller enterprises – similar to Germany and Austria – no qualifications are required. One reason is that small profit enterprises very often work with part-time staff that are not required to have any formal educational or vocational

qualifications. On the other hand larger organisations with full-time employees are far more structured in their approach to training and the qualifications they look for in employees. They often look for specific qualifications in employees relevant for their jobs. They employ staff with qualifications at all levels, but specific to their needs, e.g. graduate chemists and engineers.

Different educational levels could be also be identified in the profit enterprises in Belgium. There are no special requirements for the employees. As seen before staff are recruited without attaching too much importance to their educational backgrounds. For example, a medium sized profit enterprise dealing with books, music and games often employs people with diplomas in history, psychology or art along with persons with very little education. The quality of their CVs is not relevant. Altogether it is more important to hire persons with a good general knowledge and common sense who are able to quickly take over responsibility and have more feeling for the business than the objects as such. Even at management level people come from different backgrounds. It would be difficult to define a specific profile.

Apart from smaller and medium-sized profit enterprises, the franchising enterprises strongly represented in Belgium do not have special requirements for the shop managers or the employees. As revealed by one of the surveyed shops, the shop manager is normally someone who has already gathered experience in the field of sales and trading. Due to the high investments that are done in such franchising networks, it is necessary that shop managers are often people with a strong business background (also some of them are indeed responsible for two or more shops). On the other hand, the staff members working in the shop do not have a special profile apart from being customer orientated, being capable of working in team, being good mannered, having a good presentation, being able to listen to and assisting the client. No particular education background is demanded. They only must be able to learn different tasks e.g. how to attach a suitable price to an item and how to evaluate it. They have to know when it is time to take the item from the shelf, how to organise special events to get rid of stocks, etc.

The surveyed company examples from Slovenia – where the Second-Hand sector in general is not yet very strong and still determined by smaller profit enterprises run by their owners with a maximum of three employees – underline that the shop owners and the employees in Slovenia have basically either a commercial or vocational training. It is obvious that the persons engaged in the sector have very different occupational backgrounds. The same is true for the employees of the Bulgarian Second-Hand sector. Here as well there are employees with adequate commercial or handicraft background – if they have an education at all. In general all surveyed Second-Hand enterprises stated that they faced great difficulties in recruiting well qualified employees. Therefore it can be assumed that the educational levels are not extremely high.

The different results of the partner countries clearly show that the educational level of the employees can be both – low and very high. There is some correlation between the field of tasks and/or the business field and the educational levels. Accordingly the employees on management level rather have a higher educational level as their colleagues e.g. in the sales department. As the Second-Hand sector in Europe is open for anyone and as there are no restrictions or regulations for the trade with used goods (with the exception of used electrical appliances), it is comprehensible that all kinds of educational levels can be identified in the employees of the sector. This can have different reasons. Many Second-Hand enterprises emerged as a consequence of the collecting passion of individual persons who formerly worked in other occupations. Or the companies were founded by unemployed persons who saw a good economic chance for starting a business of their own. Finally it must be stressed that the trade with used electrical appliances is subject to regulations in all European countries. Therefore it can be assumed that the handling of this group of products requires a special qualification, not only in Germany.

5.1.2 The educational levels of the employees in non-profit (social) enterprises

In all partner countries participating in the project where non-profit enterprises and/or charity organisations play a major role (such as in Germany, Belgium Finland, Austria and the UK), the educational levels of the employees are comparatively well known compared to those of the employees of the private economy Second-Hand trade. As the Second-Hand trade is but one out of numerous other employment fields in non-profit enterprises and as the focus is mainly on employing disadvantaged persons, these enterprises have clear hierarchies with adequately different educational levels. In Germany for example, the leader and management levels are mainly staffed with academics whereas the level of instructors employs both employees with an academic career (above all from the socio-pedagogical field) and employees with a commercial, handicraft or vocational education. The degree of the educational levels on instructor level seems have a connection to the field of tasks within the company.

With regard to the level of the temporarily employed persons who consider their tasks mainly as a job opportunity, a clear trend towards staff with little education is visible. Apart from persons with psychological and/or physical disabilities, the sector mainly employs persons with disadvantages in the labour market. The reasons for such disadvantages are often based on the low educational level. Many of the employees have no or just a very low school education (special school and/or secondary modern school) and have not graduated. In the course of their occupational career they have often only worked as semi-skilled or un-skilled workers or aids. Apart from employees who became unemployed due to their low educational levels, there are also long-term unemployed persons with an occupational graduation who found a job opportunity in the Second-Hand sector. These persons do not lack specialist competences but often social competences. Another group of persons employed in the non-profit enterprises in Germany on a part-time or full-time basis are migrants. Their educational levels are differently high depending on their origin and the educational systems in their home countries. The problem with regard to qualification is partly not based on their educational levels but on the transferability of their know-how and its applicability due to language barriers. The analysis of the German Second-Hand sector also revealed that there are differences in terms of the educational levels of the temporarily employed in East German and West German non-profit enterprises. The employees in the east mainly have a vocational education. This is due to the training assurance in the former DDR (German Democratic Republic). In West Germany, however, the share of the employees with low or no qualifications is predominant. In addition the migrants working in East Germany often come from Eastern Europe and have a quite high educational level whereas numerous different nationalities are employed in West Germany. These persons have very different educational levels.

About the same is true for Austria. The main focus of non-profit enterprises is also on the social training and integration of disadvantaged persons in the labour market. According to the latest directives of the labour market service, these employees are called transit employees (e.g. handicapped people, young people and long-term unemployed people) and can be employed in an enterprise for a maximum of six months. They have partly no qualifications and/or no school graduation. Their educational levels on the whole are very low. Apart from transit employees, the non-profit enterprises also employ full-time personnel. They often have jobs in the management or carry out instructor tasks. Furthermore every company employs at least one social worker. According to the different tasks and fields of tasks within the company, these employees often have graduated from commercial, handicraft or vocational educational courses or even universities.

Further examples underlining the comparatively uniform educational profile in non-profit enterprises in Europe can also be found in Finland and Belgium. One of the interviews conducted in a non-profit enterprise in Finland not only reflects the employment structure but also the educational levels of the staff employed there. Thus employees who are recruited through the labour office in cooperation with a social worker are almost all long-term unemployed people. Beside these long-term unemployed there are also a lot of immigrants

who do not speak Finnish at all. The employees may also have psychological problems or no education which makes it difficult for them to enter the first labor market. Because the work does not usually require a vocational training or extensive work experience, the recruited staff has very often a low educational level. The most important objective is self-motivation and the desire to work. Apart from the persons employed for a maximum of one year, the Finnish non-profit enterprises have numerous other employment fields staffed with full-time personnel. This includes the manager of the enterprise (or organisation), a few project designers in the administration, persons for marketing, quality control, personnel management etc. and different kinds of work instructors (depending on the working field). In addition, a foreman is in charge of all operations in the workshop. All these people have professional skills and they can handle the operative work and are the responsible for the business. They all have an apprenticeship or a study graduation (for example the manager).

In Belgium, the non-profit enterprises and networks also offer temporary job contracts to disadvantaged groups of persons (who make up for the majority of the persons engaged in non-profit enterprises and networks). No experience or competences are required for the temporarily employed persons as they are offered numerous further training courses during their work. Thus it is neither expected that they already have an apprenticeship graduation or higher qualifications. The instructors guide and monitor the respective employee individually and on a daily basis. These groups of persons (e.g. the instructors) do need different qualifications. They have to be able to understand the holistic process starting with the collection, the selection and the sale of goods. Although it is not necessary that they have a certain educational background. They should, however, have gathered experience on all levels of the enterprise. In general the instructors have the chance to become managers of the companies. Furthermore there are the employees in administration and management (who make up for a small share of the total staff). They often have a higher educational level as their work tasks concentrates on key positions in the enterprises. They are eventually responsible for a smooth operation of all business processes.

Finally the educational levels of the employees on Great Britain will be outlined. The share of non-profit enterprises in the UK Second-Hand sector is comparatively high. A slightly different employment structure and consequently another educational profile of the employees could be identified in the UK compared to other partner countries. The interviews conducted within the framework of the sector analysis in non-profit enterprises have shown that these enterprises employ only a few full-time employees compared to the high number of volunteers. The volunteers mainly belong to the group of 60+ with consequences for the educational and further training offers. The organisations also employ young volunteers such as young mothers or young people as trainees. In general these volunteers do not need a special training and their educational level does not need to be very high. The most important required abilities apply for the practical side of the work, e.g. in the field of customer service and social competences. On the other hand there are the full-time employees who to a great extent have knowledge and skills in sales. Their educational level does not need to be higher than the levels of the volunteers. Some enterprises additionally employ a person responsible for development who is taking care of the administration and of organizational tasks. And finally there are the managers with a wide range of qualifications who are often graduates and/or vocationally qualified.

As the descriptions of the partner countries show, the non-profit area of the Second-Hand sector reveals a rather uniform pattern in terms of educational profiles of the persons employed in Europe. As the focus of these enterprises is on the social training and the integration of a temporarily limited workforce who can often be trained to be simple workers, the specialist competency only plays a subordinate role. In all countries the majority of the temporarily employed persons has a very low educational level. Compared to the temporarily employed persons, the full-time personnel have a higher educational level according to their tasks and fields of tasks. Instructors and foremen almost all have graduated from their occupations. The highest educational levels could be identified on the executive and management level as well as in the field of socio-pedagogical care for the temporarily

employed. These employees often have a university graduation or at least a higher vocational education.

5.2 General qualification approaches, strategies and concepts in Europe

5.2.1 Criteria for qualification approaches in the Second-Hand sector

Whereas some European countries obviously do not have a lot of qualification or personnel development approaches for the Second-Hand sector (e.g. Slovenia), other countries have developed a variety of different strategies, often closely linked to the respective company (cf. Chapter 5.3). The existence and the quality of the qualification approaches applied by the Second-Hand enterprises depend on a variety of different criteria. It seems to be adequate to differentiate between profit and non-profit enterprises as both are pursuing different business objectives. Profit enterprises aim at making turnovers and profits whereas the philosophy of non-profit enterprises concentrates on social aspects. According to the specific orientation and the different business philosophies, the different requirements and qualification for the employees and a possibly existing need for qualification play a decisive role in decision making on how a company qualifies its employees. This also results in the fact that existing rudimentary qualification attempts are individually oriented to the various needs of the different kinds of enterprises. Thus they are mainly need orientated and carried out according to the specifications of the company. Another criterion with an influence on the decision on a certain qualification approach in the company is the qualification possibilities as such. After the determination of a possible need for qualification, the companies have to decide who should engage in qualifications, what should be the objective of such measures and which contents the individual qualification measures should impart (i.e. which kind of qualification would make sense). Furthermore the qualification approaches are very strongly dependant on the qualifying staff and their corporate tasks.

Due to the numerous requirements for the employees of profit enterprises resulting from the variety of company forms as well as from the numerous different specialisations in goods, there are – if any – very different qualification approaches. The needs for qualification in the sector are very different against the backdrop that a career change into the Second-Hand sector is open for all persons (regardless of their occupational prerequisites). Accordingly every educational level can be found in the sector. This also results in different qualification approaches. Conversations with sector experts and with educational institutions have underlined that most of the countries participating in the project do not have special and above all external training courses for profit enterprises in the Second-Hand sector (with a few exceptions in Belgium, Germany and Austria, cf. Chapter 5.2.2).

Compared to the profit enterprises (with the exception of bigger enterprises such as e.g. the Belgian franchisers) there are further aspects apart from the above mentioned criteria with regard to non-profit enterprises and their decision for certain qualification strategies. Often the hierarchies existing in these enterprises determine the kind and/or contents of possible qualification measures. Thus the employees face different requirements according to the corporate tasks as well as the position of the enterprises. This results in completely different needs for qualification to be tackled with adequate qualification approaches. Furthermore it has been shown that the lowest employment level (of the temporarily employed persons) is shaped differently in the individual enterprises. On the other hand the decision for a certain qualification strategy depends on the educational level, the existing competences and the social background as well as on the duration of work in the company and/or the subsidizing of the work places.

On the whole it can be stated that the kind of qualification depends on both a variety of in-firm criteria in terms of structure, organisation and contents and on external influences. This is why no uniform qualification structures are so far existing in profit and non-profit enterprises. But also the lack of legal framework conditions and quality standards has contributed to the fact that there are hardly any qualification approaches and above all no uniform approaches.

5.2.2 Cross-company and new qualification approaches in the European Second-Hand sector

As already shown in Chapter 5.2.1, the European Second-Hand sector currently neither has a uniform sector-specific qualification nor a vocational occupation or a recognized occupational profile. Nevertheless cross-company qualification approaches could be identified within the framework of the national sector analysis in a few partner countries (such as Germany, Austria and Belgium). These approaches were not solely oriented to the special features and needs of an individual enterprise. These identified approaches had either been developed and tested within the framework of projects or they result from the need of several enterprises acting within a network. The approaches for qualification strategies and/or concepts mentioned below are qualifications which are not only oriented to companies but in a cross-company way. Thus experiences made during the development and testing of the respective qualification concepts can be transferred into the project QualiProSecondHand. In addition further input is given for the further development towards a uniform qualification of the European Second-Hand sector.

In Germany, a qualification concept for the Second-Hand market was developed within the framework of the EQUAL-programme and the development partnership "Second Chance", partial project "*Second Chance Brücke*". This concept was above all developed by and tested in profit enterprises. In close cooperation with "*Second-Hand vernetzt e.V.*" (association for the support of the Second-Hand trade), an attempt was made in the German *Land* of North Rhine-Westphalia to develop, carry through and implement a modular qualification entitled "Training for sales assistants in the Second-Hand sector". According to the objectives of the EQUAL programme, the developed sector specific qualifications were aimed at the integration of disadvantaged people on the labour market. The developed training course encompassed seven modules and a total of 96 instruction hours. Within the framework of the training, branch-specific specialist knowledge and methods for the occupational reflection of everyday work were imparted. The contents of the modules in detail are as follows:

- Module „Job Application training“ (Time: 8 instruction hours). The own situation is analysed and a profile of the personal abilities and deficits is set up. If necessary, an offer for consulting is worked out. Furthermore the requirements of the field of work sales are explained.
- Module „Personal Appearance“ (Time: 16 instruction hours) with focus on rhetoric, clothing, communication skills and handling of conflicts.
- Module „Practical sales/ merchandise knowledge I“ (Time: 20 instruction hours) with focus on sales training and merchandise knowledge of textiles and clothing.
- Module „Merchandise Knowledge II“ (Time: 8 instruction hours) with focus on furniture, wood, household goods, books and flea market items.
- Module „Phone training/ Office organisation“ (Time: 8 instruction hours) with focus on correct phoning and handling of customers, work processes in acquisition and sales.
- Module „EDP“ (Time: 28 instruction hours) focussing on information and communication. After the examination, the trainee is certified according to ECDL.
- Module „Job Application Training II“ (Time: 8 instruction hours) focussing on the evaluation of the qualification. The module also encompasses issues such as occupational profiles in the sales area, recommendation for further training and the course of job application interviews.

A successful participation in all modules was to be confirmed by an adequate certificate. Nevertheless it must be stated that the qualification measure described above was only successfully carried through within the framework of the project. Therefore no official recognition within the framework of the Vocational Training Act could be attained. The developed qualification measure can therefore only be rated as continuing further training with a focus on the Second-Hand sector.

Apart from the development and successful testing of the above mentioned qualification, the participants in the same EQUAL project in Germany tried for the first time to adapt the curriculum of the occupational profile of a “retail salesperson” to the needs of the Second-Hand branch in terms of contents. Besides the development of substitute and additional vocational school modules with learning contents specifically tailored to the needs of the Second-Hand branch, the concept suggests issues such as merchandise knowledge and processing on a company level. The framework curricula should be amended by subjects such as:

- Knowledge of the sale of goods: secondary virtues and sales training;
- Acquisition of goods: purchasing management;
- Warehousing: warehouse and logistics;
- Distribution of goods: strategic planning and marketing;
- Tax and insurance: tax and commercial law;
- Retail enterprises: organisation and management
- Data processing: office organisation and EDP

Initially the corporate teaching contents should be confined to the product groups of household goods and furniture, textile and clothing as well as toys. Emphasis should be given to issues such as consulting and sales, range of goods, storage of goods as well as work protection/ safety, the protection of the environment and an economic use of energy. Due to the time limit attached to the project, a great number of formal problems which had to be taken into consideration during the implementation of a new occupational profile and/or its adaptation as well as the lack of endorsement of the responsible bodies such as the Chambers, the adaptation of the occupational profile of a “Retail Sales Person” could only be carried out in theory. At the end of the project, both the further adaptation of the occupational profile for the specific needs of the Second-Hand branch and its implementation had to be abandoned. Therefore no occupational profile in the Second-Hand sector could be identified so far.

In addition to the two qualification approaches for the German Second-Hand sector developed within the framework of the ESF-funded project, the sector analysis identified another qualification approach offered on a cross-company basis. The consultants “Daniela Kaminski Marketingberatung/ Kommunikation” offers a one-day workshop on sales conversations for Second-Hand entrepreneurs, as well as a two-day workshop on the foundation of Second-Hand establishments focussing on marketing, acquisition, range of goods, target group definition, unique selling point, calculation etc.

These two examples underpin that some first approaches towards a branch-specific qualification and training course are already in existence in Germany. Nevertheless there is still a long way to go for a definite implementation of this training in the occupational world. Qualifications in the form of initial and further training measures with a contents catering for the Second-hand sector could only be rudimentarily identified.

In Austria another example for a cross-company qualification measure in the Second-Hand sector could be revealed. The *Landesgremium Wien* (a branch association under the roof of the Chamber of Economy) regularly offers events for the qualification and further training of Second-Hand dealers. Excursions to flea markets are organised in order to facilitate the exchange of experiences between the dealers. In addition specialist group meetings are organised.

Further qualification approaches involving several enterprises can be found in Belgium. Due to the very well developed network structures and the great number of franchisers with several member enterprises, very different qualification approaches have developed there (cf. also examples in Chapters 5.3.3 and 5.3.4). The corresponding approaches are not accessible by all interested Second-Hand enterprises but only to those participating in the network. Nevertheless they offer qualification options which the companies per se would not have at their disposition. In general it can be stated that a networking of Second-Hand enterprises seems to exert a positive influence on the development of possible qualification

approaches. By joining forces, the companies can even establish an academy for their members – as the Belgian example shows. This institution can then cover various needs for qualification. As the organisation of qualification measures is only beneficiary with the participation of several interested persons, the association of companies in a network is a good foundation for adequate measures.

Apart from the different qualification approaches in the Belgian Second-Hand networks and/or franchisers which are well transferrable, there is also a cross-company qualification measure available in Belgium: a training course for a „*Brocanteur*“ (flea market trader) in Brussels. The training is developed by the organisation “Bruxelles formation” responsible for the development of training courses for unemployed or young people with very low qualifications. The training is accessible to people with the lower school certificate. The programme is composed of three modules:

- Basic elements: Analysis of the different styles and classic collections, basics of the restoration of old items, knowledge of materials, basic elements of graphic art.
- Technical competencies: a deeper knowledge of the previously treated subjects plus some elements of legislation and practical information on how to develop a business.
- Practical activities.

After the training participants receive a “*promotion sociale*” (social promotion) diploma as a “*Brocanteur*” (flea market trader). The training is rather intensive and covers one year. It takes place on four days a week and encompasses 15 instruction hours per week.

5.3 Corporate qualification approaches, strategies and concepts

5.3.1 Nature, location and contents of qualification measures

According to the described variety in terms of business and work fields in the Second-Hand sector and above all in the light of a lack of uniform qualifications, the contents and the organisation of the in-firm qualification measures are very different – in the individual partner countries, within the companies of the individual partner countries and on European level. A Second-Hand department store requires other prerequisites for its employees than a Second-Hand clothes store, a Second-Hand furniture store or the trade with used electrical appliances. In addition there are differences in the kind of existing qualification approaches between privately managed profit enterprises and the non-profit enterprises and charity organisations respectively. In general the respective corporate qualification approaches – if they exist – mainly depend on the corporate objectives and the respective corporate organisation and structure. Thus a privately managed profit enterprise first and foremost aims at making profit whereas the non-profit enterprises and charity organisations rather focus on social aspects. Therefore also the requirements for the competences of the persons employed in the Second-Hand sector are partly different. This heterogeneity results in the fact that the rudimentary existing qualification strategies are always orientated to the different needs of the various kinds of enterprises. Consequently they are mainly carried out in a need oriented and company orientated way. Apart from the corporate structure and a possible need for qualification of the employees the kind of organisation also depends on who is initiating the qualification measures. Also the qualifying personnel within the company exerts a considerable influence on the nature of the qualification measures.

Thus no cross-national in-firm or special qualification concepts could be identified in owner managed profit enterprises – and above all in enterprises with a low number of employees (e.g. 2 to 6 persons engaged). Talks with sector experts and training institutions underlined that apart from some exceptions there are no special training courses for the Second-Hand sector. In case the personnel is further qualified, this is mainly envisaged according to a specific need. Possible qualification courses are mostly offered by external training providers (also cf. Chapter 5.4) and are not linked to corporate processes. These qualifications are offer orientated and take a limited period of time (e.g. seminars lasting a week, a week-end

or a day). The courses are conceived to amend and deepen the existing know-how of the employees. The contents ranges from commercial issues, such as e.g. merchandise management, accounting, marketing, sales strategies up to issues such as logistics, transport, storage, disposition, processing of goods etc. Handicraft or technical qualifications are rare (e.g. the VDE inspection certificate required in Germany; cf. also Chapter 5.1.1). The certificates earned within the framework of such qualification courses (if provided) are not confined to specialisations in the Second-Hand sector. Therefore the acquired know-how is also transferable to other sectors and fields of the economy (with the exception of the qualification as a "*Brocanteur*" (flea market trader) in Belgium. Specialist knowledge, however, is mainly based on experience and/or is acquired through "learning by doing". Partly the required specialist know-how is also imparted by other employees who have been employed in the company for a longer period of time. Other ways of imparting are instructions by the owner of the enterprise or via coaching. These strategies for learning by experience, by targeted familiarization phases with the help of other employees or by a target oriented training-on-the-job could also be identified in larger profit enterprises or e.g. in the franchiser networks in Belgium. In larger enterprises or in companies who have joined forces in a network, there are additional in-firm qualification concepts. Two good examples can be found in Belgium: The Cash Converter network built up its own academy with comprehensive training developed by Cash Converter aimed at franchisees. Troc-International as well developed a training addressed to the franchisees of the network. The qualification in larger enterprises is managed internally, e.g. with the aid of in-house courses. On the other hand – and according to the need arising – the courses are also carried through by external training providers. The chosen nature and kind of qualification depends among other factors from the contents to be imparted. Thus the handling of Quality Management systems or cashier systems as well as internal corporate processes is imparted within the company (individual or group sessions according to the number of participating employees) while general knowledge (as described above, e.g. accounting etc.) can also be trained at external providers of further training.

A closer look to the organisation and the qualification contents as well as the environment where the qualification takes place in non-profit and/or charity organisations clearly reveals that the way of training does not considerably differ from the practices of the larger profit enterprises and/or networks of profit enterprises. If certain contents should be imparted within the framework of training, the courses can take place both internally as well as at external training providers according to the individual enterprise. The courses encompass nearly the same contents as those for profit enterprises. This is due to the fact that the know-how to be imparted strongly depends on the business fields and the offered range of goods respectively. These criteria are applicable for both profit and non-profit enterprises. As non-profit enterprises mostly have rigid hierarchies – such as e.g. the management level, the levels of instructors and foremen and the level of temporarily employed staff – the levels accordingly have different requirements and a different need for qualification. With regard to the management and the instructor and foremen levels respectively, a need for qualification could be identified. These needs are, however, not sector orientated but need orientated and very strongly geared towards the different and special tasks of the individual workers in the companies. The qualification courses encompass topics and emphases that can also be found in other sectors, e.g. personnel management, organisation development, conflict management, time management, PC courses, legal stipulations, specialist courses for the merchandise management systems, special course on cashier systems. If qualification courses are offered for the full-time personnel, the courses mainly deal with legal and formal contents, corporate restructuring or interpersonal issues. Generally the qualification measures are provided by the enterprises on a voluntary basis and they take place in external educational institutions. Recognised qualification structures for full-time employees could not be identified. It was shown that persons working in non-profit enterprises of the Second-Hand sector have acquired their know-how mostly through their work experience in the sector.

In general it can be stated that possible qualification measures in non-profit enterprises are mainly aimed at the most important target group, i.e. the temporarily employed staff (the target group of the disadvantaged). The companies focus above all on the social training of the temporarily employed staff and on their integration into the first labour market. Due to the comparably short duration of the employment (six months up to one year according to the country), the enterprises are facing special challenges. As the bureaucratic expenditure is high and with regard to the constant fluctuation of the personnel, a specialist training on-the-job is hardly possible within this short period of time and the motivation of the supported employees is also low. The employees themselves undergo a work training combined with a certain task through "training on-the-job" or "coaching" in the enterprises to become "qualified aids". Some employees are even given the opportunity to earn a school graduation. Apart from the in-firm qualification measures instruction courses are carried through in external training provider institutions. Experience knowledge again plays an important role. In the Second-Hand sector, the employees get training in the areas of sales, storage, clearing, cleaning and administration. If the respective company also runs a repair workshop, the trainees are introduced to simple repair tasks as well. Apart from specialist knowledge also further competences are imparted, the so-called soft skills. The most important objective is always the psycho-social and economic stabilisation of the persons concerned, to enhance their self-confidence, to reduce the educational deficits, to strengthen their stamina and their ability to handle conflicts²⁶. As an Austrian enterprise stated, one third of the employees could be placed in the labour market, one third is ready to work and the last third is not yet fit for the labour market after the completion of the state-funded job measure.

An overview of possible different corporate qualification approaches in both profit and non-profit enterprises is given by the numerous case studies carried through within the framework of the national sector analyses. Chapters 5.3.3 and 5.3.4 will present a selection as examples.

5.3.2 Motivation for and organisation of qualification programmes

The initiative for the realization of qualification programmes is mainly done based on a need identified in the company. The profit enterprises mostly initiate such programmes on their own whereas the non-profit enterprises mostly follow a proposal of the executive or instructor level. However, the own initiative of the employees in non-profit enterprises must not be underestimated. The necessity for the realization of qualifications with different contents can have various reasons: e.g. the improvement of the quality of work, a better customer orientation or the wish to further professionalize the enterprise. A decisive incentive for the proposal and implementation of qualifications are above all specialist deficits. In terms of these deficits it can be stated that also enterprises in the Second-Hand sector have realized that there is a close relationship between the lack of specialist knowledge and good work quality and the professionalisation of their enterprises. This development can above all be identified in larger enterprises, networked companies or franchiser networks as well as in the non-profit area. Most of the qualification approaches and measures can be found there. This is due to the fact that these kinds of enterprises employ more personnel, that there are routine business processes and structures. The demand for professionalism in these enterprises is currently much higher than in the numerous Second-Hand stores managed by their owners.

Furthermore it should be noted that qualification plays an important role above all the numerous non-profit enterprises and charity organisations respectively operating and firmly established in the European Second-Hand sector. As the national sector analyses have shown, there is a comparatively high need for qualification in these enterprises due to the often low educational levels of the temporarily employed persons. As these enterprises first and foremost aim at reintegrating these employees into the first labour market and as the

²⁶ Eiersebner E. et al.; 2003, p.20

trade with used goods – apart from other business fields – offers a good possibility to undergo an integration process, the support of these employees via qualification is decisive.

Apart from vocational-specialist deficits of the employees also the social deficits should be remedied in a target orientated way in order to qualify them for the first labour market. Accordingly it is not only important to impart vocational-technical know-how as in the fields of work described in Chapters 3.3 and 4.3 or contents as mentioned in Chapter 5.3.1. Also the improvement of cross-occupational qualifications such as the capacity to act, autonomy, self-responsibility as well as communication and cooperation abilities should be the focus of the qualification measures. Again it should be underlined that although there is a need for qualification, this need is not exclusively and especially orientated to the characteristics of the Second-Hand sector. There is no qualification for a “Second-Hand Specialist” yet. The fields of topics for the imparted basic qualifications are among others:

- Key qualifications (ability to work in a team, communication training etc.), basics in mathematics, linguistic training for migrants, job application training, basics of EDP.

Further to these basic qualifications, a number of commercial and handicraft or vocational-technical qualifications and qualification courses in the field of transport are on offer. Among them are:

- Special knowledge on storage/ storage logistics, special knowledge on retail, office management contents such as calculation, accounting, organisation of transport, safety training, lifting, carrying and packing techniques in connection with the transport of goods, processing of goods, refurbishing and repairs, licence to operate a fork lift, licence for the inspection of electrical appliances, bookkeeping, sales techniques.

The organisation of the qualification measures is similar in all non-profit enterprises. In general individual qualification plans are set up that have to be followed by the employees. The plans are adapted to the employees’ strengths and weaknesses and contribute to an improving of their occupational integration. The practical skills are mainly imparted within the company with the aid of coaching and learning at the work place and in the work process. Theoretical basics such as e.g. PC knowledge, sales training, material science etc. can be imparted either in-firm in the form of seminars, introductions and workshops or in courses offered by external training providers.

Not only temporarily employed persons are qualified in the non-profit enterprises. There are also offers for full-time employees according their needs and the demand. An example from Belgium underlines the qualification activities of a big Second-Hand network for full-time employees in non-profit enterprises. In connection with the introduction of a quality management system, the network carried through KVK qualifications for their employees. Within the framework of the so-called EFQM-K2 model, the members of the network get support with the implementation and the continuous improvement of the system. This is done via workshops, individual guidance, forums to exchange experiences, and internet platforms. As far as the EFQM-K2 approach is concerned, the organization has a coaching offer for its members:

- Every two years a call for projects is launched amongst members for a coaching period offered by KVK consultants.
- The coaching is a combination of group workshops and individual coaching. The workshops stimulate the exchange of knowledge and experiences with the aim of increasing the motivation. The individual coaching has the objective of translating models and frameworks of the workshops into very concrete applications. There is always:
 - A workshop for the management to introduce the framework and principles,
 - A workshop for the operational staff,
 - Individual coaching of personnel on the shop floor.

- The process is a learning process, i.e. in the course of the implementation the tools are continuously improved and new ones are developed.

The objective of this coaching is mainly the transfer of know-how and the development of the necessary skills to work autonomously afterwards. The approach of combining work group and individual coaching has proved to be very useful. This meant a strong commitment from both the management and the operational staff who were all involved in the process.

As the Belgian example shows, the interaction between company management and the employees with regard to the realization of qualifications and the resulting benefit is of great importance. This is not only true for Belgium but also for other countries. On the whole the sector analysis has shown that qualification programmes in companies are partly designed in a way that they exclusively aim at the further qualification of certain key persons (mostly full-time employees with an instructor function). These persons then act as multipliers and pass on their know-how to other company employees by coaching at the work place and during the work process.

5.3.3 Examples for corporate requirements, qualification needs and strategies in profit enterprises

The case studies conducted within the framework of the national sector analyses of the partner countries participating in the project can only highlight a part of the sector. They show, however, that there are no or – if any – very different qualification approaches based on corporate needs in the individual profit enterprises. A short overview of the respective results of the case studies is given below. Both managers and employees were interviewed on the requirements for the employees, the need for qualification and on possible qualification approaches and strategies respectively. Furthermore it should be stressed that the results are only relevant for the statements given by individually selected persons representing all persons engaged.

Germany

In Germany a total of three different profit-oriented enterprises were surveyed in detail. They encompassed enterprises specializing in the sale of different used textiles, CDs and sound storage media or electronic and electrical equipment.

Case No. 1

The surveyed Second-Hand enterprise for textiles mainly requires that the employees (4 to 20 persons) meet demands in the field of social competences such as friendliness towards customers, honesty and reliability. A certain degree of creativity with regard to the decoration of goods is also required. Furthermore the changing customer structures – e.g. the increasing number of customers with a migration background – results in linguistic barriers for the employees which have to be overcome. These requirements and many more result in a need for qualifications for both the employees and the management. While a better qualification during the familiarization phase – e.g. by coaching – is necessary on the level of the employees, the executive staff needs more qualifications in terms of the basics of business management. In addition there is a need for qualifications in the field of communication, personnel management and work organisation as well as in transport and the use of personal computers. There is no qualification plan as such. There is only a coaching of employees at their workplaces or during the work process. In order to cater for possible needs for qualification, the company plans qualifications modules in the long term.

Case No. 2

The employees (around 23) of the surveyed Second-Hand enterprise for CDs, sound storage media and play stations are mainly faced with requirements with regard to sales (e.g. customer orientation and consulting, advisory tasks, service orientation) as well as social competences and personal disposition (e.g. motivation, ability to work in a team, punctuality). With regard to specialist knowledge, above all know-how in the field of purchasing and sales are required. This mainly includes general commercial know-how but also product specific

know-how (e.g. knowledge of the music market and its developments, merchandise knowledge, trends, pricing, sales techniques). As the employees of this enterprise have high educational levels, there is no need for action with regard to the handling of PCs. The same is true for product specific knowledge as the company exclusively hires personnel interested in the music branch and mastering the required know-how. The need for qualification is thus rather confined to certain basic knowledge and skills such as customer orientation and care, sales conversations, negotiation techniques during the purchase of goods, presentation techniques. In order to cater for the need for qualification, the enterprise only pursues a very limited qualification strategy. Thus the qualification of the employees is carried out by employees who have been working in the company for a long time or by the branch managers. The employees are intensively introduced into the work processes, the business processes and the handling of the merchandise management system and the cashier system as well as the systematics for the sorting of goods. This training is carried through during the familiarization phase of the new employee with the aid of work accompanying coaching and a checklist in order to systematize the qualification. There is a continuous controlling and – if necessary – support available. Additional qualifications in the form of modules or courses are neither undergone by the management nor by the employees. Nevertheless the enterprise is training apprentices for the occupation of a retail salesperson. The training course does not include any specialisation in terms of the trade with used goods.

Case No. 3

The employees (around 32 full-time employees and more than 100 temporarily employed persons) in the surveyed Second-hand enterprise for electronic and electrical equipment must mainly meet requirements in the field of social competences but also high specialist demands. While the disassembly of the appliances only requires low competences (such as material knowledge), very broad specialist knowledge is needed for the field of repair and spare parts network as the employees must handle a variety of different goods and brands. Above all a mathematical know-how and an interest in technology is crucial. Good knowledge of materials (including the handling of the appliances) is necessary for both the incoming goods and the sales departments. In addition the sales department requires knowledge about the presentation of goods (decoration), customer advisory tasks, pricing and the handling of software-controlled merchandise management systems. Persons employed in retail trading companies must additionally have logistical abilities. Very special abilities and knowledge is required for master craftsmen/ instructors and foremen in terms of the trade with used electrical appliances. This is due to the complexity of the range of goods and the size of the company. Apart from specialist know-how this group of persons must also have pedagogical abilities and knowledge on personnel management and organisation. They must be able to qualify their employees and to instruct them during the work processes. In addition the position of an instructor requires knowledge in quality assurance. Apart from the qualification measures of three years undergone by some of the employees, there is a need for qualification above all in the field of social competences (such e.g. personnel management, instructor's licence). There is also a need for qualification in the field of repair concerning the handling of new appliances and new technologies. Due to its size the enterprise offers various qualification opportunities and proceeds in a very structured and professionalized way. Apart from regular apprenticeships such as retail salesperson or specialist warehouse clerk in a Second-Hand department store, information electronics and electricians for energy and building technology are being trained. There are qualification measures of three years consisting of several modules (so-called qualification modules) leading to different partial qualifications as well as to an external trade tests at the Chamber of Industry and Commerce. The qualification is directly carried through in the company by work related and experience orientated learning. The employees are supported by instructors. In addition the enterprise applies the instrument of facilitated learning and working groups with a focus on self-organized learning. With regard to further qualification of the employees, the enterprise relies on learning at the workplace and on the coaching by

instructors within the work process. The qualification on the instructor and foremen level is not yet organised or institutionalized. The employees have to ask for it if the need arises.

Austria

In Austria, two profit orientated enterprises (one with emphasis on used children's brand clothing and one specializing in used electronic and electrical equipment and related product groups) as well as a professionally organized flea market orientated to traders in the Second-Hand market were surveyed in detail.

Case No. 1

The employees (two persons) of the surveyed Second-Hand enterprise for children's clothing are mainly faced with requirements in the field of social competences such as friendliness towards customers and a decent appearance. With regard to special knowledge, just knowledge on the merchandise, above all knowledge on the brand names of the goods on offer are necessary. There is no special need for qualifications in the surveyed case as the owner of the shop considers the trade with Second-Hand clothes as a temporary occupational interim solution. The knowledge of the employees is sufficient to run the shop. Therefore no special qualification measures are carried out and there is no qualification strategy. Nevertheless it should be stressed that the owner attached some importance to the fact that her prospective employees already have some experience with the handling of used clothes. A qualification measure for sales strategies was completed and the employees were familiarized with the pricing. This was done on site, in the shop and with the aid of lists.

Case No. 2

The employees (6 employees and 2 apprentices) of the surveyed Second-Hand enterprise for electronic and electrical equipment face requirements with regard to their social competence (above all sales talent, a polite contact with customers, competence etc.) and to their special knowledge with regard to the different product brands, their functioning and the handling of the electrical appliances. PC knowledge is required for the registration of goods, the pricing and the preparation of sales contracts. The employees should also be physically fit as they are partly handling very heavy items. The management does not see any need for qualification as long as there is no restructuring within the company. The employees, however, would like to have further qualifications in the fields of sales, appearance, sales conversations and better expression. Since the owner of the enterprise does not see a need for qualification, there is no special qualification strategy. Due to the lack of special qualifications in the Second-Hand sector, the employees acquire the required know-how on the goods during a self-learning process which forms part of their work. As multipliers they pass on this knowledge to other employees. In general any qualification in the enterprise takes place during the work process and based on the acquired experience. The two apprentices are undergoing training for general retail. Based on the range of goods and according to the owner of the enterprise, an apprenticeship of electrical retailing would make more sense. This is, however, only possible as soon as the enterprises exclusively concentrates on the trade with electronic and electrical equipment. Thus the training contents do not cover the need of the enterprise.

Case No. 3

This case concentrates on the survey of a flea market and the Second-Hand traders operating there for profit. It is necessary that the salespersons have a sales talent and a preparedness for communication as there is a very close and busy exchange with customers. As the clientele often encompasses a lot of foreigners (among others tourists), additional language skills are requested. A good physique is also required as the traders often have to lift heavy merchandise and must work in all weather conditions. Apart from social competences and physical fitness, the traders also need specialist knowledge of used goods (e.g. merchandise knowledge, value of the items) and pricing as well as knowledge in PC handling if they want to remain competitive. As the flea market is composed of different individual traders, a possible need for qualifications must be individually assessed. In

general there is a lot of qualification potential in the traders and salespersons. A lack of information sources (many of the retailers do not even have access to the Internet) and of qualification offers, however, represent an obstacle. As there is no uniform qualification strategy, the traders acquire the necessary know-how on their own and with the aid of different strategies. In general the traders are keen on keeping up to date with regard to the goods on offer and to an extent their knowledge of used goods. This is realized through an exchange of experiences and conversations between the traders and sales persons, via specialist literature and catalogues on the different goods. The specialist knowledge necessary for the sale is continuously acquired by observations and experience. Thus many traders were also customers of traders of Second-Hand goods in former times). Apart from the acquisition of know-how with the aid of different sources of information, many traders also take part in visits to foreign flea markets in order to explore the sales strategies there.

Finland

In Finland, two very different profit orientated enterprises were surveyed. One of the enterprises is an exclusively profit orientated enterprises specializing in the trade with used books. The second enterprise is basically a non-profit enterprise with a profit oriented business branch – the trade with used textiles. This was examined in detail within the framework of a case study.

Case No. 1

In the analysed Second-Hand enterprise for used books the requirements for the employees (6 employees) include good social skills for customer service. Furthermore a good basic knowledge, experience and interest in literature and how to classify books is needed for the sale as well as for the acquisition of books. The personnel also has to know how to place books and how to operate the cash register. On the other hand managers need to have good organizational, marketing and financial planning skills. In this business fields connections to other book store keepers are important as they also trade with each other. The need for qualification arises according to the requirements for the employees and the management. Generally commercial skills like sales and marketing skills, entrepreneurship and customer service have to be trained, and there is a need of qualification in acquisition and pricing of books. Because of the minor need for qualification, the enterprise does not have a special qualification strategy. In this kind of business field the most important skills are learned on-the-job and by reading and following the trends of literature. The company provides only initial in-firm training for new employees. Nevertheless the qualification of employees is mostly up to themselves. They are responsible to acquire the know-how, e.g. by reading books. The employees are introduced to other work tasks such as placing books and using the cash register. They are trained by learning-on-the-job. This learning is a step-by-step process and the employees take over more responsibility as time goes by. Altogether the employers do not provide any courses for the employees.

Case No. 2

In the profit orientated business field of textiles of the analysed non-profit enterprise (association) the requirements for the employees (65 out of a total of 130 employees are working in the Second-Hand store) include different kinds of requirements depending on different tasks. For the sorting task the employees need some kind of knowledge about the materials beforehand, for example training in the textile field. For other work tasks like putting clothes into bags to send them on, employees only need a good physical condition and social skills to get along with the co-workers. Drivers for the collection of clothes need to have driving experience as well as a good physical condition. Face-to-face fund raisers must have excellent social skills and they have to be familiar with talking to strangers. The sales staff needs sales experience, knowledge about materials and sizes and must be service orientated and creative for the decoration tasks. Many of them have either a commercial or even also a textile education. Store managers have to be professionals in sales. They need

to have good organizational skills as they control the operative work. The coordinating manager needs overall knowledge about the recycling business. She needs to be ready to cope with different kinds of tasks which may suddenly occur and adapt to changes in the business as well. She needs to have organizational and social skills as her work also includes the cooperation with representatives of other organizations. As the employees have quite good qualifications and as the employment situation in general is quite good at the moment, the need for qualifications is limited to a few aspects. So the enterprise makes a lot of efforts for the working welfare of their employees. There is always something to learn about the materials and the value of goods resulting in a need for adequate qualifications for the sales staff and the employees who are sorting the clothes. Also the store manager needs material training as she has to impart the information to the employees. To cover the needs of qualifications the enterprise occasionally provides in-firm training for new employees by the store manager and further training is provided, e.g. on material, valuable materials of textiles or customer service training and pricing. However, the staff acquires most of their knowledge by experience. Prior to starting with their work, new employees are sent to the sorting centre in order to be able to better cope with customer questions. Training on effective and ecological driving is provided for drivers collecting clothes. Beside this kind of qualification the company also runs a working welfare program which is part of the personnel plan. Training can be organized based on the employees' needs for qualifications. However, there is no systemically planned qualification strategy for the employees. There is no special program of several months for the qualification of employees for their tasks. Training is first and foremost offered to the store managers who then pass the information on to the employees of the Second-Hand store. This is how the recent material training was realized. In-firm training is also provided for the management but there is also no special qualification strategy.

Belgium

In Belgium two very different profit orientated companies were surveyed. One enterprises sells used books and sound storage media, the other is a franchiser dealing with sound storage media but also with small electronic devices, musical instruments etc.

Case No. 1

In the analysed Second-Hand enterprise for used books and sound storage media goods the requirements for the employees (20 employees) are not really specified because the company employs people with diplomas as well as people with very little education. The experience of the enterprise shows that education is not a key element. What seems to be desirable is that the employees have a good general knowledge and common sense, they are able to take over responsibility quickly, they are customer oriented and understand the business. Another requirement is the ability to assign correct prices to the goods.

Furthermore the staff must be versatile with a lot of interests and able to change between the departments. Compared to the employees it is difficult to explain the requirements for the management level. As the managers have different experiences they have no specific profile. A need for qualification is thus not obvious. A specialised training for general needs is not necessary. The enterprise is convinced that the employees can learn more by doing their jobs than by undergoing special training courses. In order to satisfy the need for qualifications the staff are trained directly in the shop. This underlines the philosophy of the enterprise that learning-by-doing and experience is the best forms of qualification. The employees can progressively learn all the different tasks by observing colleagues and via the coaching provided by the persons responsible for the department (managers also play an important role in the staff's capacity building). The training is thus informal and the employees get support of their colleagues whenever it is needed. It is a constant and progressive learning process while the employees rotate between different departments. No course offers are available for this kind of training.

Case No. 2

No special requirements for shop managers and other employees could be identified in the analysed franchiser company (approximately 100 employees). As a rule, the shop manager is a person who has already acquired experience in the field of sales/ trading. It must not be underestimated that around 150,000 € must be calculated as overall investment required to open a Cash Converter shop. People launching an initiative of this dimension need to be motivated and must have a solid business and financial plan. Furthermore shop managers are often people with a strong background on business. Some of them are indeed responsible for two or more shops. On the other hand the staff working in the shop do not have a special profile apart from being customer orientated, capable of working in a team, well mannered, well presented, able to listen to and assisting the clients. No particular education background is demanded. The staff must be able to learn how to assign a good price to items, how to value them, to determine the time to take a certain item from the shelves, how to organise special events to get rid of stocks, etc.

Generally there is no special needs for qualification. Nevertheless the franchising network has its own training modules developed on the basis of experience gained in 20 years of operation. The interviewed person could not give detailed information on the contents of the modules (only a general overview) because this is deemed confidential. The qualification of staff is developed directly by the franchising network with the assistance of a consultant specialised in vocational training. An Academy was also created. The training courses are organised three times a year for an average of 10 to 15 persons and involve the whole shop staff via a rotation system. The group is composed of persons with experience and those attending the training for the first time. The training is developed around two main chapters: purchase and sales. The elements of the purchase module are: perception, how to buy, purchasing mission and objectives, rules of purchasing, do's and don'ts when purchasing goods, understand the needs of the clients and negotiation techniques. The elements of the sales module are: Objectives, to determine needs, advertising, find good arguments for selling goods and how to close a sale. Most of the employees are generally people who are interested in different items such as e.g. instruments, hi-fi, sports gear etc. Thus they learn because they love their jobs. They keep themselves informed by observing the market in terms of new technologies etc.

United Kingdom

Only one profit oriented enterprise dealing with used books was surveyed in the United Kingdom because the structure of Second-Hand stores does not differ in this form. In addition the most significant part of the Second-Hand market in the UK is covered by charity enterprises or organisations respectively.

Case No. 1

In the analysed Second-Hand enterprise for used books the requirements on the employees (3 employees) are on one hand social skills like honesty and reliability and on the other hand they need effective people skills and effective communication skills for dealing with the public. Furthermore it is necessary to have knowledge in customer service, sales skills and subject knowledge in relation to book titles and the classification and categorisation of books. The outcome of this is that there is maybe a qualification need about book knowledge or social or people skills. There exists no official qualification strategy. The nature of training is carried out on the job. In addition part-time staff are not required to have any formal educational or vocational qualifications. Given the nature of the work it is stated that this is unsurprising as training is very much work based and "on the job", carried out in an informal, mentoring type way. And in the position of the business proprietor his background in the Second-Hand Sector bases on retail experience rather than formal education, training and qualifications.

Slovenia

Due to the fact that the Slovenian Second-Hand sector is still comparatively underdeveloped, only profit oriented enterprises were surveyed there. This is also due to the fact that there are no non-profit enterprises in the Second-Hand sector that could be compared to the numerous enterprises of this kind in Western European countries. Overall five enterprises operating in the fields of clothing, baby equipment, CDs and furniture (2) were analysed.

Case No. 1

In the analysed Second-Hand enterprise for used clothes the main and most important requirements for the employees (5 employees) are social and people skills. In detail these are kindness, neatness, flexibility, readiness to learn, reliability as well as knowing and remembering the customers and their preferences with regard to clothes. As the currently employed staff are working very well as a team, any new employee is additionally required to fit into the team. In order to improve the success of the company, various qualification needs were listed. In general the most needed skills and knowledge are: Marketing knowledge and strategies, knowledge of textiles and textile materials, fashion trends, communication psychology and applicable computer skills. There is no formal qualification strategy in order to satisfy the qualification needs. However, this does not mean that there are no ambitions. On the contrary, there are many interesting exchanges of experience between co-workers. According to the interviews, the exchange of experience is one of the most important means of knowledge transfer and most beneficial as well. The employees are free to propose courses and seminars according to their interests.

Case No. 2

In the analysed owner-operated Second-Hand enterprise for used infant equipment the important requirement for the business is customer relations. The customers have to be accurately rated by the salesperson as well as he/she has to apply an adequate communication strategy. Furthermore the salesperson needs to adapt to the requirements of the customers. In the near future, there is no strategy present that involves employment of new staff. So the owner sees no need for qualifications, also for himself. The company is struggling for the market shares, but the business is slowly losing ground because of the discount sales of other shops which already offer low cost goods. It is more crucial that the mentality of the buyer changes and that the buyers lose their prejudices regarding "inferior" Second-Hand goods.

Case No. 3

Only two employees are working in the analysed Second-Hand enterprise for used CDs. The most important requirement is customer relations. Similar to Case 2, the customers have to be accurately rated by the salesperson and he/she has to make use of a proper communication strategy. The salesperson needs to adapt to the requirements of the customers. Furthermore there is no need of qualifications, because the enterprise does not plan to hire new personnel. The owner thinks that his business reflects his lifestyle, and he is happy with it. This is also the reason why there is no qualification strategy.

Case No. 4

Only two persons are employed in the analysed Second-Hand enterprise for used furniture. The most important requirements are good appearance like being well dressed, tidy etc. and an intensive and professional customer relationship. Because the enterprise does not want to expand their staff in the near future and the manager is pleased with the work of his salesperson, he does not see any need for additional qualifications. This is also the reason why there is no qualification strategy.

Case No. 5

In the analysed owner-operated Second-Hand enterprise for used furniture (the owner sometimes hires short-time workers) the important requirements for the business are social skills like reliability, punctuality and accuracy. As for the short-time workers, the most desired

skills are skilfulness, dexterity, physical strength, reliability. In comparison to Case 4 there is a need for qualification in this enterprise. In general the most needed skills and knowledge are: Basic marketing knowledge and marketing strategies (the seminars and educational programmes are expensive), exchange of experience with similar companies, communication psychology and customer relations, organisational skills and appropriate computer skills. Because it is only an owner-operated enterprise there is no kind of qualification strategy.

Bulgaria

Due to the fact that the Bulgarian Second-Hand sector is still comparatively underdeveloped, only profit oriented enterprises were surveyed there. This is also due to the fact that there are no non-profit enterprises in the Second-Hand sector that could be compared to the numerous enterprises of this kind in Western European countries. Overall the survey covered two enterprises in the field of used clothing/ textiles, one enterprise operating in the field of used electronic and electrical equipment and two enterprises operating in the field of used furniture.

Case No. 1, Case No. 2

As the requirements on the employees as well as the need of qualification and the qualification strategy are nearly the same Cases 1 and 2 are summarised below.

The first analysed Second-Hand enterprise runs shops and one big store for used clothes with a total of 15 employees that have different working tasks like driver, buyer, sorter, ironer, manager and labourer. In the second case the analysed Second-Hand enterprise for used clothes and a few other used household goods has 12 employees (driver, buyer, sorter, ironer and manager). In both cases only a few important requirements for the employees could be identified. Thus the employees have to complete their professional engagements conscientiously, they must be disciplined at the place of work, observe the working time, they must not damage the equipment they are entrusted with and protect the goods they are entrusted with. As for Case No. 2, the employees have to inform the manager in the case of conflicts. Altogether there are no demands for the employees in terms of special know-how, e.g. about the goods they sell or commercial contents. On the other hand the manager of the enterprise is responsible for the organization and the monitoring of the overall work in the enterprise. The requirements for the manager are higher than for the employees. Besides organisation the managers need general commercial know-how. Because of the low requirements for the employees there is no major need for qualifications. The employees only need qualifications in foreign languages whereas the managers or the owners require qualifications in effective organization of the working process, price calculation, marketing and personnel management. No qualification strategy could be identified at all. All know-how needed by the employees is acquired by learning-on-the-job.

Case No. 3

In the analysed Second-Hand enterprise for used electronic and electrical equipment the requirements for the employees (two electricians and one manager) are very specific according to the goods they sell. Thus the employees have to follow special rules and they need discipline. The most important requirements they need is technical knowledge. They must be able to handle servomechanisms and machine parts and should keep and handle them conscientiously. Furthermore they must have knowledge about electrical installations. In the future, the need for qualifications resulting from the requirements for the employees will be electronic and electrical know-how due to the rapid development of technology. The manager also needs qualifications in effective organization of the working process, price calculation, marketing and personnel management. No additional qualification strategy could be identified in this enterprise. The only way to qualify the employees is to send them on special courses, but this is too expensive for the enterprise. The only alternatives are state subsidies.

Case No. 4

In the analysed Second-Hand enterprise for used furniture the requirements for the employees (eight employees, most of them craftspeople) are the same as in Cases 1 and 2. Thus the employees have to complete their professional engagements conscientiously, they have to be disciplined at the place of work, observe the working time, must not damage the equipment they are entrusted with, protect the goods they are entrusted with and inform the manager in the case of conflicts. Furthermore the employees need experience with furniture underpinned by the different kind of the employees' occupations like upholsterer, woodworker/ joiner. On the other hand the buyer and the salesperson need commercial skills. The manager of the enterprise is responsible for the organization and the monitoring of the overall work in the enterprise, so that his requirements are higher than those of the employees. Besides organisation skills, the managers need general commercial know-how. The need for qualifications is the same as the requirements for the employees and the manager of the enterprise is deeply convinced that qualifications are needed. Anyway there is no qualification strategy in this enterprise. It seems that the manager prefers training courses, but they are too expensive for the enterprise. The most important and required skills are acquired by learning-by-doing.

Case No. 5

In the analysed Second-Hand enterprise for used furniture the requirements for the employees (six employees) are to complete their professional engagements conscientiously, be disciplined at the place of work, observe the working time, do not to damage the equipment they are entrusted with, protect the goods they are entrusted with and inform the manager in the case of conflicts, give advice and support to the customers and record defects by entering them into the records-book. Furthermore they need experience with furniture and commercial skills. The manager of the enterprise is responsible for the organization and the monitoring of the overall work in the enterprise. His requirements are thus higher than those of the employees. Besides organisation skills the managers need a general commercial know-how. The need of qualification is the same as the requirements for the employees and the manager of the enterprise. There is a need of well-educated and skillful employees. Furthermore in this enterprise the management/the owner of this enterprise are experienced in qualifications. Thus the enterprise has carried out qualification courses within the framework of the social programmes in the past (2000 to 2005). In this period, training courses were organized for socially marginalized people, young people that had just completed their secondary studies, and long-term unemployed persons. The programme was implemented in co-operation with the Labour Office. The Labour Office proposed the staff that were to be trained in carpentry, furniture production, upholstering. One of the difficulties, however, was to give the trainees a reason for undergoing the re-qualification course. This was due to the fact that the Labour Office is not responsible for ensuring a job after the training. Another difficulty was that the trainees mostly came from minority groups and that they attended the courses not out of personal interest but as a result of an agreement (on training attendance) they signed with the Labour Office. It is a fact that these programmes are allocated smaller budgets. Generally the trainees are trained more in theory than in practice as there is a lack of machines, tools and equipment. Altogether the employees often learn necessary tasks by learning-on-the-job because there is neither a possibility to finance courses nor funding programs for qualification.

5.3.4 Examples for corporate requirements, need for qualification and qualification strategies in non-profit (social) enterprises

The case studies conducted by the participating partner countries within the framework of the national sector analysis only represent an excerpt of the sector. They show, however, that there are only few and quite different in-firm qualification approaches in the individual non-profit enterprises. The following chapter provides a short overview of the corresponding results of the case studies. Managers but also instructors and foremen respectively as well as employees had been interviewed on a number of corporate factors and on the

requirements for the employees, the need for qualifications and possible qualification approaches and strategies. Furthermore it should be stressed that the results are only relevant for the statements given by individual selected persons representing all persons engaged.

Germany

A total of three different non-profit enterprises were surveyed in Germany. Among them were two enterprises with a focus on used textiles and clothing along with other different used goods and one enterprise concentrating on the sale of used furniture.

Case No. 1

The employees engaged in the surveyed non-profit enterprise (total around 300 persons engaged) dealing among others with used textiles are faced with requirements in the field of social competences, such as motivation, ability to work in a team, punctuality and ability to handle conflicts. The specialist requirements for the individual fields of work are very different. While there are special requirements for persons working in the pre-sorting department of incoming goods, the handling of the merchandise management system needs employees able to handle a PC. These requirements are already highlighted in the job advertisements. Employees working in the goods receiving department need above all organisational skills, a high customer orientation and friendliness, an overview of the storage capacities and they need to assess the value of the goods and their resale value correctly. Furthermore the employees in the transport department need a driving licence and good physical fitness. They must only be able to understand and correctly implement their work processes. In the field of processing of used electrical appliances, at least one of the employees needs the VDE licence for inspection. The salespersons should have PC knowledge in order to handle the cashier system and the merchandise management system, they should know the brand names, the materials and the fashion trends, they should be creative and able to determine prices. The requirements for the position of an instructor are much higher due to the demanding tasks. A specialist training makes sense – e.g. as a salesperson in the field of textiles and occupational experience as a head of department or head of branch. He/she should above all have organisational skills and must be able to guide personnel and to solve conflicts. Occupational training is also helpful for the position of a foreman/ woman. He/ she should have specialist competences in terms of displays, registration of goods etc. The employees in these senior positions must be able to work on their own and must have organisational skills. They have to guide the personnel and to master all operative tasks on the level of the temporarily employed persons. The highest requirements are found on the management level. These employees often have graduated from a university and have to master all skills necessary to manage an enterprise.

The need for qualifications with regard to the temporarily employed persons above all results from the increased requirements for the employees and from their decreasing competence levels. As even the simplest tasks can no longer be mastered, there is a general higher need for qualifications and instructions. In detail there is a need for qualification in material science, PC knowledge, fundraising and the handling of customers as well as organisational skills. The foremen also need more qualification in EDP as the registration of goods is increasingly done electronically. In addition there is a need for qualifications in personnel guidance. There is only a limited amount of in-firm qualifications as the majority of the employees are only working there for six months. There is neither a qualification strategy nor special instructions. A qualification course is only envisaged if the training process is not too complex compared to the requirements. A qualification is mostly realized by induction and coaching during the work process carried out by employees mastering these tasks and acting as multipliers. The qualification via multipliers is above all practiced for the handling of the merchandise management system. As the employment measures usually overlap for four weeks, one employee with experience in training is usually assigned to the new employees. Apart from this there is no special qualification for foremen and instructors. An informal exchange of experiences takes place once a month discussing experiences with issues such as e.g. conflict avoidance, problems with addiction, group processes and

communication. The topics for this experience-based learning are determined once every year. The qualification of the full-time employees is done on demand or through participation in workshops of the BAG Arbeit (labour association). The employees are responsible for their own further qualifications and the training measures have to be applied for. There are no offers provided by the management.

Case No. 2

The surveyed non-profit enterprise with a total of 20 full-time staff and around 260 temporarily employed persons is dealing with textiles amongst other things. The requirements for the persons engaged in this business field are first and foremost social competences: friendliness, honesty and reliability were highlighted in the interviews. A certain creativity is required for the decoration of the sales rooms. Increasing numbers of customers and a change of the clientele structure result in high requirements for the employees. Above all the handling of the increasing number of repatriates of German origin and the linguistic and cultural difficulties resulting thereof represent challenges for the employees. In addition the employees must have special skills in terms of customer service as the number of customers who are specifically seeking used textiles due to their better quality compared to cheap new products is continually increasing. Special requirements for the full-time staff were not named. In order to cater for the need of adequately qualified employees the company tries to get suitable personnel from the labour administration by describing the requirement profiles in detail. In general there is a need for qualification above all with regard to customer care, the cashier system, sales instruction, handling of difficult customers, material science. In the near future, an online-trade line will be implemented which is expected to result in a need for qualification in the handling of PCs. Apart from a need for specialist qualifications also a need for the imparting of key qualifications and social competences of the temporarily employed persons was identified. In order to cater for this need within the company, full-time employees are partly offering qualification in the form of seminars. A target-orienttaed planning of qualification and personnel development is, however, inexistent. As the most important target of the temporarily employed persons is the reintegration into a work routine and due to the fact that they only work for the enterprise for a very limited time, these persons are mainly qualified via learning-by-doing and coaching at the workplace or during the work process. Other qualification measures are also offered as soon as the instructors identify a certain need and provided the corresponding qualifications can be financed.

Case No. 3

The surveyed non-profit enterprise deals amongst others with used furniture and employs a total of 30 full-time staff and around 120 temporarily employed persons. The requirements for the persons employed in this business field are various. Those working in the transport department must have a driving license and should be physically fit. The work also requires handicraft skills as the employees must decide on-site whether the used furniture is still good for reselling. The requirements for the employees in the goods receiving and the sales department can be found in the field of social competences (e.g. customer friendliness, discipline) and in the field of specialist know-how. Thus the employees must have a certain know-how on the epochs (age) of origin, material science, the workmanship quality and the saleability of the goods. Knowledge in pricing is an advantage. The department for the refurbishing of furniture above all demands handicraft skills. The executive employees must have commercial, business management and organisational abilities. Furthermore they should have skills in financial planning, controlling and personnel guidance, above all the solution of conflicts. They must be able to deal with a number of problems (e.g. drug problems, crime rate) of the temporarily employed persons. Although the requirements for the employees are manifold, there was hardly any need for qualifications at the time of the interview. The management only underlined that an additional external exchange of experiences with other companies of the same sector would be desirable. In order to meet the required demands for the temporarily employed, the enterprise pursues a concrete

qualification strategy. As the main objective of the enterprise is the integration of the temporarily employed persons into the first labour market, a "Working Group on Recycling" was founded in 1990 and offers training, re-training and qualification measures. A special department was launched for the concept and the implementation of the different measures within the framework of the range of tasks in the company. This encompasses a vocational training or re-training for the occupations of an office clerk or retail salesperson, supplier and disposer (specialisation waste), the qualification of a recycling specialist and a service and production assistant as well as practical qualification modules such as sales and cashier courses, basics in EDP or the forklift permit. Since 1994, additional qualification courses are available in the bicycle recycling workshop. Since 1993, there are qualification courses for the (re)integration of long-term unemployed persons and immigrants focusing on imparting key qualifications such as the German language with special measures called "language and occupation". These measures are carried through in close cooperation with the local responsible authorities. Apart from a number of qualification possibilities the temporarily employed are also trained on the job or during the work process with the aid of coaching or a handbook with all detailed processes. Continuous vocational training is not process controlled by the enterprise and is mainly based on the employees' own initiative. They can coordinate their proposals with the management. Basically existing abilities and interests of the employees which may be directly or indirectly useful for the enterprise are supported. The enterprise is a member of a variety of special societies, associations, Chambers of Commerce etc. and makes use of the offers and incentives of these institutions in order to benefit from the current developments and novelties – also in the field of further training – for the recycling stock exchange and the Second-Hand sector.

Austria

Two different non-profit enterprises were closely surveyed in Austria. One enterprise deals with used electronic equipment, the other concentrates on textiles along with other goods.

Case No. 1

The surveyed non-profit enterprise deals with used electrical appliances and employs a total of 12 full-time staff and 64 temporarily employed persons, 20 thereof are trainees. The latter are above all required to have social competences and specialist know-how in some areas. Generally no vocational training is necessary for the temporarily employed. They should only be interested in technical issues – "good hobbyists". Electronical prerequisites are necessary only for the field of "brown goods" (entertainment electronics). The temporarily employed in the customer area must above all have knowledge of EDP and should have technical and social advisory skills as they keep a close contact with the customers. Key employees (full-time employees) working in the technical department need technical qualifications (apprenticeship, journeyman or master examination) as well as good social competences as they act as an "interface" to the socio-pedagogical department. Furthermore these key persons must meet various requirements during their work on numerous tasks in the technical department: problem solving in case of difficult repair steps and in case of complaints, knowledge of materials, brand names, spare parts and equipment as well as work organisation and organisation development. They must also be able to carry through in-company instruction courses (training of technicians and salespersons) and should have knowledge of pricing, quality control and the handling of customers. Key employees working in the socio-pedagogical area are exclusively social pedagogues or social workers who master the required abilities for their field of tasks based on their education and training.

Currently the most important need for qualification is due to the technical changes in the field of EDP competences in the future. It will be very important to maintain the repair know-how. As the main objective of the enterprise is the reintegration of temporarily employed persons into the first labour market, the enterprise pursues a corresponding qualification strategy mainly encompassing the establishment of social qualifications such as punctuality and regular attendance in the enterprise etc. The specialist qualification of the temporarily employed is above all done via instruction as the repair know-how is mainly mastered by the key employees. Every three months, the enterprise carries through a theoretical course

(electro-technology and repair). The course takes four weeks and encompasses 1.5 days a week. Based on the employment time of an average of six months, all temporarily employed persons can attend this course. A certain “further training fatigue” was identified in key persons. Nevertheless the need for qualification for so-called “soft skills” is catered for – e.g. through further training on the issue “handling of transit workers by key persons”. In addition qualifications are only encouraged by the management as soon as the market performance identifies a need for further training: the better the profit situation the lower the need for qualification).

Case No. 2

The surveyed non-profit enterprise deals amongst others with used textiles and has 30 full-time employees as well as 21 temporarily employed persons, seven of them are trainees. The requirements for the staff working in this business field are quite different. The demands for the temporarily employed are manifold with a focus on social competences such as self-confidence, regular working times, responsibility, motivation, punctuality etc. Furthermore the staff needs to be physically fit, they must be able to carry out simple unskilled work tasks and fit into the work processes. The employees working in the sales department must be able to determine prices, display the goods and they should know the brand names and the value of the goods. With regard to the full-time staff, they are required to have an occupational education (e.g. dressmaker, salesperson and/or a socio-economical training). The employees should be able to solve problems and to guide personnel. Due to the fact that they are responsible for a great number of temporarily employed persons, they should also be able to work under pressure. A need for qualification could be identified but only defined in a limited way as the company has neither documented the individual work processes nor works with a QM-system in order to exactly assess the need. A need for qualification was above all seen in terms of market observation for pricing and customer orientated behaviour. Due to the short period of employment of the temporarily engaged persons in the company it has turned out to be difficult to motivate these persons or to cover a need for qualification which is actually present. Therefore the enterprise pursues two differently orientated qualification strategies. The temporarily employed are first and foremost individually coached. As most of these persons have a deficit in their personality structure, the objective is to give them support. The coaching should help these persons to fit into the daily working life. They teach punctuality, reliability, stamina with their work and their self-confidence is enhanced. Outdoor training is on offer for their additional support. As the employment time of just six months is very short and as the focus is on their reintegration into the first labour market, a vocational qualification is hardly possible. Thus these employees are assigned simple unskilled tasks (e.g. cleaning, folding of clothes) and coached by work instructors at the work places. Furthermore several educational measures – both in-firm and external – are offered such as e.g. courses in German language, driving licence, forklift licence, course for stock-keeping and a PC licence. With regard to the full-time staff, the job advertisements already require an adequate occupational profile in order to recruit well qualified people. An additional training of this group is not envisaged. However, if the employees demand or have a need for certain training, the management offers further training courses in the form of seminars on issues such as sales conversations, apprenticeship training, coaching and outdoor training. This offer is amended by courses such as gymnastic exercises for a strong back and correct lifting or carrying of heavy items.

Finland

In Finland three different non-profit enterprises were surveyed in detail. One enterprise focuses on dealing with used textiles, the other two deal with a range of products from electronic and electrical equipment to furniture and textiles.

Case No. 1

The analysed non-profit enterprise which is specialized in used textiles besides a few other goods does not have any special requirements for the employees (in total there are about 400 people engaged in the organisation) in the recycling department. The main requirements

are social skills. The staff have to adhere to regulations, for example, coming to work punctually and willing to learn something new. Furthermore a commercial background is an advantage although this is not a prerequisite. One of the most important aims of the enterprise is to place the employees into the first labour market after work in the recycling department store. Therefore there are not many requirements for the employees. They are already asked in the first interview to fill out a form about their future hopes and development needs so that the enterprise can react to their wishes. For the more demanding positions of the store manager, store attendant and work instructor the applicants' education and experience as well as their personality are the most important criteria for the assignment to their tasks. They need to have good organizational skills as they control the operative work. For the task of work instructor social skills are especially required as his/her responsibility is to plan the employees' future employment paths and cope with their social problems. Everyone in management needs to adapt to changes in the business and be ready for all kinds of tasks which may suddenly come up. The main needs of qualification regarding the temporary employees are social skills. As the temporary employees have been long term unemployed, many of them have a low self-esteem that must be reinstalled by the work experiences. Furthermore there is a need for qualification in customer service and in PC-knowledge. Altogether no comprehensive qualification exists to cover the needs of qualification. Most of the qualification for employees in the recycling department concentrated on preparing them to work in the first labour market, because they are only six month in the enterprise. All new employees will be introduced into the organisation's activities and then familiarized with the work tasks and the quality criteria for the sorting of clothes (All employees start in the sorting department). During their first weeks, the employees are assigned a tutor who gives advice if needed. Furthermore the company has established an annual plan in the form of a "year's clock" for different kinds of training measures offered to the employees. There is training e.g. on customer service, waste management, fire safety, first aid and life management. The company also plans to have a PC-training for employees. For the management there is no special qualification strategy, i.e. there is no planned programme to qualify the management for their tasks. However, the employer organizes training measures several times a year, mostly on marketing, management issues or skills in the commercial field. The management has also been offered an opportunity to look for suitable training to be carried out along with the work.

Case No. 2

In the analysed non-profit enterprise which is specialized in used furniture as well as in electronic and electrical equipment, textiles and household appliances the basic requirement for the employees (about 40 to 50 employees in total, 9 of them have permanent contracts) is to get working routine and experience. As already said, there are basic tasks which can be learnt at work but there are also more demanding tasks with higher requirements. Employees working at the reception desk and in the recycling and work centre need customer service skills and good social skills. At the reception desk the employees are required to have a basic understanding about the delivered goods. They must decide whether the goods are worth repairing or whether they should be disposed of. In the transport department drivers are required to have driving experience. As they are in contact with customers they need customer service skills as well. They also need to establish the time tables and determine their driving routes, so they need to have basic organizational skills. The sales staff working in the recycling and work centre needs some knowledge about materials of textiles as customers might want to know something about their care. And they need to have some knowledge of electronic and electrical appliances, if questions are asked by the customers. Especially the foreman in the sales department needs to be a professional in the sales of electronic and household appliances. He also needs to have organizational skills as he is coordinating the operations in the store. In the work shop professional skills are needed for the repair of the appliances. The disassembly of appliances demands knowledge about the valuable materials. As for the repair of furniture, the operative instructor needs to have a vocational training. The work instructor who is preparing the employees for

their later work needs good social skills. As many of the employees have been long term unemployed before working in the recycling and work centre they might lack social skills and customer service skills. In this regard they have a need for qualifications in reception, in transportation and in sales. Furthermore non-contract employees in preparatory measures need qualification for their work tasks. They need more instruction for their work than before as they are all long term unemployed hired with the aid of a special labor service office instead of a normal labor office where applicants encompass all job seekers. In preparation for the work project, employees need more time to get used to the working routines and more instruction even in basic work tasks. In the future it is likely to become difficult to find professional repair personnel for new household and electronic appliances which easily break down. Modern washing machines with their computerized functions are more difficult to repair than their old predecessors. With regard to this development, there is a high need for qualification in special technical know-how. As the employment contracts are very short – six months on average – a comprehensive qualification strategy does not seem to be obsolete. The qualification of the employees is mostly carried out by learning-on-the-job and learning by observing the more experienced personnel. The employees are introduced to regulations and the policy of the enterprise as well as to their work tasks and employees' responsibilities. During the first few weeks, new employees are being watched more closely whether they manage their tasks and adapt to their working environment. Furthermore the enterprise has offered some training e.g. how to lift things safely without hurting oneself. In the near future, professionals from other recycling enterprises will come to the company to tell the staff something about how to recycle textile materials, how to re-use them and how to reduce waste. The work instructor leads regular discussions with the employees about their training opportunities. One opportunity is to acquire a vocational degree via an apprenticeship contract. At the moment there are three employees holding this kind of contract. It includes training periods in a vocational school and working periods in the enterprise (Association). There are also more demanding tasks, e.g. the repair of appliances. Employees assigned with this task need to have vocational training as a prerequisite. There is no special qualification strategy for the management although they would be in need of qualifications in organisational skills and personnel management. They have also been offered training opportunities by the Association. The development manager is e.g. currently pursuing a special management degree. In any case the training mainly depends on the persons' own motivation and their activities to qualify themselves.

Case No. 3

In the analysed non-profit enterprise, which is specialized in used electronic and electrical appliances as well as in used textiles and furniture, the most important requirement for the employees (about 120 employees in total) is self-motivation for this kind of work, getting along with other people and not doing harm to their environment. These requirements are applicable for all tasks in the company. There are, however, more requirements for employees taking over more demanding tasks, e.g. the repair of appliances. Employees who are in contact with customers like salespersons, receptionists of goods, pick-up drivers, need good social and customer service skills. In the Second-Hand store skills in sales and displays are appreciated. The requirements for the project designers, managers, the foremen and work instructors are of course higher. They have to have good organisational skills and social skills. Managers and project designers must be able to handle economic affairs. Foremen and work instructors need some knowledge of recycling activities. A need for qualifications for the employees who are long term unemployed people was not stated. It is quite important for them to just get used to the working life. A need for qualifications could be identified for the employees who are immigrants. They need qualifications in speaking the Finnish language. For some tasks such as repairing activities a need for qualification in professional skills is required. It depends also on the motivation of the employees whether they want to further develop their skills during the work process or not. As the aim of the enterprise is to offer long term unemployed people an opportunity to get used to the working life, the enterprise has no special strategy to qualify employees for their work tasks.

Considering the limited period of time they are working in the enterprise, a thorough qualification does not make sense. Also most of the tasks can be learnt quite easily by learning-on-the-job. However, there are also more demanding tasks where the employees need to have professional skills as soon as they are assigned their work task, e.g. the repair of TV sets. Project designers, foremen, managers and work instructors need to have basic organizational skills and good social skills. Nevertheless there is no special qualification strategy for them. The only qualifications offered in the enterprise are some language courses for immigrants, fire prevention training sessions, courses for the task of dismantling and driving courses for work in the transport department. Also the enterprise offers the opportunity to get a certification in hygiene (needed in the food industry). No major changes could be identified in the qualification structure for the future.

Belgium

In Belgium, three different non-profit enterprises were surveyed in detail. One enterprise specialized in dealing with used textiles. The other two enterprises offer a wide range of products and used goods from textiles to furniture and electronic and electrical equipment. In case of one enterprise only the field of electronic and electrical equipment forms part of the survey.

Case No. 1

In the analysed non-profit enterprise specialized in used textiles, different requirements for the employees (280 people engaged) were identified. The desired qualifications of people to be recruited are mainly linked to previous experience in sales with some artistic background as an asset. The employees need creativity because they have to decorate the shop and they need various social skills. They have to be friendly, customer-oriented and capable of attracting new clients. Generally they need a good sense for the handling of clothes, they should be able to follow trends and fashions and be able to observe how people dress. Furthermore they need to be at ease with the cash register after a short period of time (they do not need computer knowledge) and they have to know how to iron, as all clothes are ironed before being put on display. The shop's supervisor has to be capable of understanding the entire process of collection, selection and sales. The educational background is not extremely important but the person needs to have some experience in positions at the different levels of the chain. The supervisor needs to understand all the aspects of the Second-Hand clothing business, e.g. how to find the best location for a shop, how to present the items for sale, how to price items and how to deal with clients. He/ she need knowledge on marketing developments and the training of employees. Furthermore he/ she need knowledge in commerce along with good organisational skills and how to deal with customers respectfully. A good shop keeper needs to be able to forecast the future developments and follow the fashion trends and he/ she needs to know the new brands (there are new ones almost every day). Thus the shop keepers need knowledge in seasonal selection, ironing, pricing, window dressing, proper display of the clothes on the shelves, dealing with cash, organising special events and managing the stocks.

The most important need for qualifications for the employees is training measures in the field of window dressing as well as in finance and human resources. Also they need training in social skills, how to deal with customers and knowledge of the specific typology of customers. To cover the requirements and the need for qualifications the enterprise pursues a qualification strategy. On the one hand the company developed an in-house training course (three weeks' course) to impart the basic skills for selling clothes to the employees and to teach them how to be customer-orientated. On the other hand all expertise and knowledge is basically acquired by working in the field. New employees receive tutoring and coaching in various shops. The personnel is thus trained in a way that they learn and understand the entire process, starting from the technical aspects of selecting clothes (an activity which is extremely important as will be explained later), to some administration tasks,

how to deal with finances, human resources and customers. In the course of these activities, the employees get a good overview of the enterprise and they are capable to understand the type of business. The whole learning process takes at least one year, because after this period the employee has gone through the four seasons once and has understood how to make use of the various items on sale. The reason why the company uses this qualification strategy is justified by the lack of any specialised external vocational training.

Case No. 2

In the analysed non-profit enterprise which specialises in a variety of products, the research concentrated on the electronic department (190 people engaged in total, 26 employees in the electronic department). The only requirement for the employees is that they have to be trained in the “*Horizon*” training centre and come to the enterprise directly after the training. People suitable for “*Horizon*” have to be older than 18. It must be stated that most of the people participating in the training come from marginalized groups or are unemployed. In order to start work in the enterprise they need basic knowledge about electronic and electrical equipment as well as social skills. Because the employees are very well trained, when they start work there is no need of more technical qualifications. However, the employees do need training with regard to the collection of additional used equipment. What is collected today is not enough for a sustainable business. Only a small part of the collected items can be re-sold according to the criteria set by the ElectroREV quality label. The problem is to find a way to access this part of the market which so far is not part of the enterprise’s range of activities. With regard to the qualification strategy, the enterprise developed its own training centre “*Horizon*”. The trainers are external consultants with expertise in the field of electronic and electrical equipment. The *Centre “Horizon”* provides training through work. In general an average of 20 people are attending the courses. The training lasts one year and is focused on repair of small and big electric and electronic appliances. Altogether the trainees receive both theoretical and practical education. After one year the participants receive a certificate that is legally recognised by the Belgian education authority. Furthermore almost every graduate finds a job once the training is over. Some of the trainees are retained at the enterprise if there is a need, but most of them easily find a job somewhere else. This system gives a lot of satisfaction because there is a win-win situation. On the one hand most of the trainees get a job very easily at the end of the course and on the other hand the enterprise can cover their need for qualified employees.

Case No. 3

The employees working in the analysed non-profit enterprise (250 full time employees, 40 of them in the management), which deals with a wide range of goods (from textiles and furniture to electronic and electrical equipment), do not need to meet a lot of requirements. Because of the focus of this enterprise to create jobs for disabled people (e.g. with psychological problems, social handicaps, ex-prisoners etc.) the working in such a social workplace differs from work in the traditional labour market. Altogether the employees need a few personal characteristics. They need to be motivated for work and they must be able to deal with rules, authority and diversity. Furthermore there are some specific job requirements. The employees must be able to sort goods (check if goods are reusable or not), place goods in the shop, clean and price the goods and assist customers. The responsible person for the re-use shop has some more requirements like knowledge about shop management and personnel management. Furthermore these employees have to achieve commercial objectives and carry out personal coaching. Because the disabled employees neither have a lot of competences nor a high vocational education, the need for qualifications is substantial. On the one hand they have to be trained in social skills and on the other hand they need different kinds of practical training. To cover the requirements of the employees and the need of qualification the enterprises pursue an integrated qualification approach with specific attention to each employee. They offer e.g. general education (language, computer basics, reading, writing, basics of mathematics etc.), specific

job related training, functioning of syndicates, safety and well being (e.g. first aid, defensive driving etc.) and reception of customers. Furthermore they propose different programmes on numerous issues at different levels (e.g. internal, in cooperation with other local organisations or by the KVK network organisation) for the management as well as for the workers. The programmes they offer can be divided into coaching of the target group, technical training, ICT, management skills and prevention and well being. While one part of the training is offered as a programme, the other part is trained at work. The instructor supervises and supports each employee individually and on a daily basis.

United Kingdom

In the United Kingdom three different non-profit enterprises were surveyed in more detail. One enterprise deals with used furniture, the other two enterprises deal with a range of products from textiles, books and CDs to toys etc.

Case No. 1

In the analysed non-profit enterprise specializing in used furniture, different requirements for the employees (in total there are 11 paid staff and about 25 to 30 volunteers) are identified. The requirements for the general employees are especially the necessary practical skills for the function they carry out. It is required that they do their work with conscientiousness and reliability. The practical skills they need cover knowledge about furniture recycling (e.g. varnishing), repairing, assembly and dismantling furniture. On the other hand the requirements for managers can be summarised as numeracy, organisational skills, "people skills", prioritising and time-management. The requirements for administrative staff can be summarised as reliability, organisational skills, time-management and the ability to work under pressure. Furthermore they need knowledge in finance, wages, budgeting, cash-flow etc. There are special requirements for commercial know-how as well as people skills. If these requirements are considered, there are only a few needs for qualifications. But they were not explicitly mentioned in the interview. In this enterprise a qualification strategy doesn't really exist because the manager and the administrative staff are qualified as is necessary for their positions. However, the administrative assistant recently had I.T. training to assist her in her work. Furthermore the organisation regularly offers work experience to trainees if it is needed. It was indicated that trainees, particularly of school age and just above, can vary in their levels of ability, commitment and reliability. The general consensus was that there would be little call for qualifications beyond practical vocational ones such as National Vocational Qualifications (NVQ), but that some form of on the job training pack would be a welcome addition.

Case No. 2

In the analysed non-profit enterprise, which is specialized in used textiles, books, bric-à-brac etc. different requirements are identified for the employees (3 full time staff and about 45 volunteers). The requirements depend on the different employment levels as well as on the different work tasks. The requirements of the general staff and the volunteer sales staff are customer care, retail skills including displays, pricing and antiques, people skills, basic first aid and basic health and safety knowledge. Otherwise the development officer who is acting as a deputy manager needs knowledge in fund raising, day to day accounting, managing the volunteers and developing retail displays. Furthermore she needs qualifications in business and accounting and experience in the voluntary sector. The managers work on the highest level in the enterprise, therefore they need more and higher qualifications. They have to be multi-skilled professional persons. The requirements of them are a wide variety of skills, especially management and people skills. Furthermore they need motivational and organisational as well as retail skills. And they need knowledge in customer care, legislation, business and finance, IT, time-management and counselling. Regarding the need for qualifications there is no demand for formal qualification for the volunteers.

However, there could be some need for a flexible training package that could be delivered relatively easily in the workplace. (The research revealed that some of the volunteers do not want training and would consider leaving if this became a requirement.) At the moment there is no formal qualification or qualification strategy in this enterprise, although different skills have been required. The employees and the volunteers rely heavily on experience in carrying out their retail function. New volunteers are mentored in an informal way by those with more experience. Furthermore some training is already carried out in-house in areas such as retail skills, communication and cancer related issues (because many of the volunteers are females who have in some way been touched by cancer). Also for the management there is no need for qualifications or any qualification strategy, because they are well qualified professionals. Both are still continuing studies in areas like business studies and counselling.

Case No. 3

In the analysed non-profit enterprise, which is specialized in used clothing, books, CDs, toys etc. different requirements are identified for the employees (32 shop personnel in addition to volunteers). The requirements of the employees the enterprise is searching for are on one hand practical skills and on the other hand customer skills. The practical skills include the knowledge how to prepare goods for sale and how to grade items to their saleability. Furthermore they need people skills and they need reliability and trustworthiness. On the other hand there is a wide range of requirements and qualifications for the managers. They are often quite highly qualified in the field of management and retail. Although much work, even at the shop management level is carried out within the shop itself. There is no needs for qualifications for the voluntary unpaid staff. Because of their age (most of them are retired individuals in the 60+ age group) qualification is neither necessary nor desirable. And also the managers need no qualification, because they are highly educated. Because of the employment situation of this enterprise no qualification strategy exists. So that the requirements of the employees are satisfied the managers encourage the skills of the employees. If there is any kind of training needed it is very much work based and “on the job” and carried out in an informal, mentoring type way.

5.4 Relation between enterprises and education and training institutions

In general it can be stated that there are hardly any commercial or purpose-orientated relations between the profit enterprises in the European Second-Hand sector and education and training institutions (e.g. further training institutes). This can be justified by the fact that the companies and their owners respectively have no educational mission and often do not consider systematic qualification as necessary. Training institutions are only consulted by the employees as soon as a clear need for action and/or qualification was identified within the enterprise. These approaches depend on the qualification offer of the corresponding training providers. Another reason for the just need-orientated and selective connections to training providers is the insufficient or even nonexistent offer of qualification courses specialising in the needs of the Second-Hand sector. With regard to non-sector-specific contents (e.g. general commercial or handicraft contents) there is a number of training institutions offering these qualifications in the form of seminars, courses or workshops, e.g. the Chambers of Commerce and Handicraft, commercial academies and further training providers. Qualification offers with a special focus on the sector, however, are only available in a limited number of countries such as Germany and Austria. These courses are rare and mostly demand-orientated. In Germany only one company consultant agency with an offer of corresponding further training measures for Second-Hand enterprises could be identified. In addition there are special symposiums and workshops organised by different associations of the recycling sector. Second-Hand enterprises are welcome to take part in these events (e.g. *BAG Arbeit*). In Austria, the *Landesgremium Wien* (association affiliated to the Chamber of Commerce) regularly carries through continuous training events for Second-Hand dealers as well as a yearly specialist day.

Contrary to the profit enterprises in the Second-Hand sector, there are clear connections between non-profit enterprises and providers of education and training in some European countries (e.g. in Germany and Finland). The contact with external training and qualification providers is different according to the individual enterprises. Whereas some enterprises take up the corresponding offers of several training institutions, other enterprises are only closely cooperating with one of these providers. The shaping of the relationship between the enterprises and the training providers depends on the offer and the demand for certain qualification measures. As already mentioned above, the majority of the qualifications is not exclusively geared to the Second-Hand market.

A good example of the cooperation of educational institutions with non-profit enterprises could be identified in Finland. Many Finnish enterprises carry through different kinds of training during the work process but there were no other specific vocational training models besides the Bovallius foundation. This institution operates a vocational school and a social enterprise – Bovallius Palvelut Ltd. Both institutions work together. The students can be trained in Bovallius Palvelut Ltd. for a certain period of working time. After their graduation they find employment there (Korhonen 12.3.2007).

The very close cooperation between non-profit enterprises and training institutions is generally not based on the orientation to the Second-Hand sector but is due to the overall good standing of the non-profit enterprises. These enterprises are also active in other sectors such e.g. recycling, vocational preparation, services etc. Due to this wide range of activities they already have a close relationship with training institutions.

6 Summary

The sector analysis of the Second-Hand sector underpins that the sector seems to comparatively heterogeneous on the European level. The numerous different kinds of businesses and business fields along with the different corporate structures and employees contribute to the high variety of the sector. A closer look at the sector, however, reveals that there are common features in the individual partner countries and on the European level, e.g. the employment structure, business fields, parallel trends, clientele as well as the differentiation of the enterprises acting within the sector into profit and non-profit companies. A great number of common features could be identified on the corporate level. Thus the corporate structures within a type of business (e.g. owner-operated businesses, franchiser companies, department stores) as well as the work tasks and processes are comparatively similar within the different business fields. Against the background of the Second-Hand sector as an autonomous sector with prospective growth, there is the option to create above all uniform and generally accepted structures. Uniform criteria and aspects offer the opportunity to further professionalize the sector. As the Second-Hand sector is facing strong competition from the market for new goods, it is urgently necessary to improve the sector's image through adequate professionalisation and an increase in quality. Eventually it is crucial that a better comparability of the sector with the market for new items is established as well as more transparency.

A considered starting point in terms of comparability is represented by the quality of Second-Hand enterprises. As quality is a very good and tangible criterion for comparability both for the enterprise and external actors (e.g. customers), this should form the first starting point towards professionalisation. The introduction of quality standards would be a first and decisive step. As the term quality with regard to business processes and structures is quite wide, it has to be delimited first. The first question is how the quality of an enterprise is generally expressed. There are different approaches. Quality can be expressed by the sold goods, the service, the corporate processes, the external presentation of an enterprise as well as the in-firm structures and work processes. All these aspects have one prerequisite in common. In order to meet the quality demands in every respect, the enterprises need well trained, qualified personnel on the different business levels and fields. A better and above all sector-specific and uniform European qualification of the persons engaged in the Second-Hand sector can further harmonize work processes and achieve better results (e.g. in the

presentation of the enterprises, the range of goods on offer, the purchase of goods etc.). Above all the currently existing corporate qualification approaches underpin that the qualification of the personnel is the key to a better quality and professionalisation. Approaches for qualification strategies could thus be identified above all in the larger enterprises or Second-Hand networks (e.g. in Belgium, Germany, Finland). As these companies have a comparatively good standing in the market due to their overall good quality, an interrelationship between quality and qualification can be assumed. Corresponding results as well as the fact that the sector analysis could also identify a need for qualifications in smaller enterprises call for an urgent development of a Europe-wide uniform qualification strategy for the Second-Hand sector. This demand is underpinned by the increasing cross-border trade in Europe which is also involving the Second-Hand trade. In order to safeguard the uniformity and comparability, adequate quality standards must also be developed for the qualification of the work force. Thus firm criteria can be determined which – if adhered to – could support a transnationally equivalent qualification.

Due to the different need for qualification in the enterprises it seems to make sense to start with the development of qualification concepts based on the determined quality standards. With a view to the development of adequate new qualifications for the Second-Hand sector and their sustainable implementation and against the background of the practical application in the enterprises, an additional guideline for the development of qualifications seems to be advisable. This guideline can serve as a corporate means of support. In order to sustainably implement the qualification within the European sector where the majority of the operating enterprises are small and medium-sized, it is necessary to engage in a re-structuring of the sector. Thus the merger of enterprises and/or the creation of networks support the exchange of experiences and strengthen the innovation and competitiveness of the companies. The sector analysis has shown that there are numerous networking and cooperation projects within the European Second-Hand sector without resulting in actual new networks due to the lack of know-how of the actors. A network design should be developed to support these projects which may be seen as a major contribution for the professionalisation of the enterprises. This may also be seen against the background of the introduction of sector-specific qualifications. As the qualification measures and strategies are not profitable for smaller and medium-sized enterprises as the ratio between expenditure and benefits is too low, the creation of networks within the Second-Hand sector as partnerships of convenience (e.g. for qualification) is of great importance.

The development of adequate products not only supports the Second-Hand sector on its way towards uniform qualifications but also means a crucial step towards more professionalisation. Furthermore it may be assumed that the development of uniform quality standards as well as qualification approaches and concepts will exert a positive impact on the Second-Hand sector in Eastern Europe which is still comparatively underdeveloped. With the aid of adequate measures, the emerging sector could get a positive support right from the start. These countries offer the opportunity to create a Second-Hand sector with flawlessly functioning structures without an exhausting breaking down of existing structures.

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