

HOW SOCIAL ENTERPRISES CONTRIBUTE TO THE DIGITAL TRANSITION

EXECUTIVE SUMMARY

Social enterprises federated by the RREUSE network are active in the circular economy, providing valuable social and environmental contributions to the digital transition.

Due to the unprecedented shift to digital technologies in daily life, COVID-19 has exacerbated the need to tackle the digital divide, representing the gap between individuals in terms of access to ICT products and the ability to use them. In light of this, RREUSE's members initiated and scaled up activities to provide second-hand ICT equipment to vulnerable groups, as well as digital skills training.

Rising demand for scarce critical raw materials and growing generation of electric and electronic waste have also tabled the need to promote and support the circular economy in the sector, as re-use and repair will be essential to address such problems. This is why RREUSE's members focus on preventing resource depletion and diverting (W)EEE (Waste Electrical and Electronic Equipment) from landfill through re-use, repair and recycling – all the while creating job and training opportunities for people distanced from the labour market.

Lastly, social enterprises have also implemented innovative digital tools (e-commerce, traceability and reporting software, or ICT warehousing systems) to extend product lifetimes through re-use and repair and therefore achieve greater impact. The use of these technologies can in addition facilitate training opportunities in the digital sector, ensuring a digital transition that works for all.

To support a policy ecosystem promoting a social and circular digital agenda, RREUSE recommends:

- Extending resource efficiency requirements more ambitiously through Ecodesign policies
- Implementing durability and reparability scores to nudge consumers towards circular ICT products
- Introducing tax exemptions to support re-use and repair activities
- Using funding mechanisms to support the deployment of digital technologies in the re-use and repair sector, as well as to back social enterprises providing digital skills training
- Formalising and mainstreaming circular skills development programmes at regional and national level, notably in the ICT sector
- Introducing separate targets for re-use and preparation for re-use of (W)EEE



1. INTRODUCTION

The COVID-19 pandemic accelerated digitalisation and technological transformations. It highlighted our dependency on access to technology, and therefore the need to tackle issues related to digital skills, widespread access to ICT products, but also prevention of e-waste.

The European Commission has indeed embraced the digital and green transitions as inseparable building blocks of its policy agenda, referring to them as “the twin challenges for our generation”. Whilst this approach is highly welcomed, more specific measures are needed to jointly tackle the green and digital agendas, but also its social implications like the digital divide, which should hold a prominent position within the Commission’s digital agenda.

Therefore, this briefing will focus on the intertwined nature of the green, digital, and social agendas, building upon practical examples from the RREUSE network. The aim is to inform policymakers about what social enterprises are doing to tackle the implications of digitalisation on social exclusion and generation of waste, but also to innovate and achieve a greater impact.

2. BRIDGING THE DIGITAL DIVIDE

The surge of ICT brought about significant social changes, notably regarding inequality and social exclusion. The digital divide refers to the gap between individuals in terms of access to ICT products and the ability to use them. This gap is not only problematic in terms of accessing the labour market: it also bears critical implications regarding access to digital education, telemedicine, digital identity systems, and more.

In fact, 80 million Europeans never use the Internet because they don’t have a computer or because it is too expensive¹. Therefore, social enterprises, combining societal goals with an entrepreneurial spirit, have initiated multiple initiatives aiming to tackle this problem.

BOX 1. LES ATELIERS DU BOCAGE: RE-USING ICT PRODUCTS FOR VULNERABLE GROUPS

Les Ateliers du Bocage collect ICT products used by companies, ensuring a longer lifespan by preparing them for re-use and distributing them to the elderly, children with dyslexia, and other vulnerable groups. In 2019, this social enterprise, member of Emmaüs France, collected and prepared for re-use or recycled 4,800 computers and 266,000 phones.

The pandemic made ICT re-use activities even more critical, as disadvantaged groups urgently required ICT material under lockdown. For example, 25,000 French youngsters couldn’t follow their education

¹ Deloitte (2020) Digital transformation: Shaping the future of European healthcare. (Available [here](#)).

programmes during the first months of lockdown because of lack of material². As recognized by the European Commission, such lack of accessibility has widened inequality in education and training³.

BOX 2. INITIATIVES TO BRIDGE THE DIGITAL DIVIDE UNDER COVID-19

Ateliere Fără Frontiere, a Romanian social enterprise, participated in a nationwide campaign donating over 2,000 computers in 2021. The main goal was to reach disadvantaged students without access to online tools during the pandemic, thus providing fair education opportunities. Similarly, The Edinburgh Remakery decided to adapt their operations to the lockdown and support the most vulnerable by donating ICT equipment stock to those suffering from digital poverty.

However, the digital divide goes well beyond the distribution of ICT products and also refers to training and digital skills. The Digital Economy and Society Index (DESI) shows that 40% of adults in Europe lack basic digital skills, despite its crucial role in achieving equality and inclusiveness. With the European Pillar of Social Rights Action Plan⁴ targeting 80% of adults with at least basic digital skills in 2030, social enterprises will play a critical role in ensuring the up-skill and re-skill of vulnerable groups and workers.

BOX 3. SOCIAL ENTERPRISES PROVIDING DIGITAL TRAINING OPPORTUNITIES

CF2D, a Belgian social enterprise, offers basic digital skills training to women living under social housing schemes. To further empower them, women who received the training become mentors for women starting the programme, thereby ensuring transferability and peer-to-peer mentorship. During lockdown, Solidatech provided essential services to all kinds of non-profit organisations by offering digital solidarity resources and preparing webinars and guides about digital tools. Since its inception, Solidatech has re-used 500,000 ICT products, generating 180,000,000 euros in savings for organizations of the social economy.

Social enterprises not only focus on basic digital skills but also provide comprehensive training for high-growth and innovative sectors, such as e-commerce. In France, Label École offers training in e-commerce specifically designed to meet the needs of companies in the sector. The students, usually with low educational qualifications, create an e-commerce website and a digital strategy for three real world and impact-driven projects, thereby receiving soft skills training and mentoring to find a job. Social enterprises have an increasingly important role as providers of lifelong learning, and therefore must be included as key stakeholders in initiatives such as the European Digital Education Hub.

² Les Ateliers du Bocage (2020) Mobilisons-nous ensemble pour le jour d'après: L'appel des acteurs de la Tech sociale et solidaire pour un numérique inclusive. (Available [here](#)).

³ European Commission (2020) Digital Education Action Plan 2021-2027. (Available [here](#)).

⁴ European Commission (2021) European Pillar of Social Rights Action Plan. (Available [here](#)).

3. CURBING E-WASTE IN LINE WITH CIRCULAR ECONOMY AMBITIONS

Whilst new technologies provide fascinating opportunities to advance social and environmental goals, the current linear model in the ICT sector creates a rising demand for scarce critical raw materials, unsustainable levels of air and wastewater pollution, and inadequate disposal of WEEE.

In fact, in 2019, the world generated 53,6 million metric tonnes of WEEE, and only 17,4% of this was properly collected and recycled⁵. Re-use and repair should become a priority to curb e-waste. For instance, whilst only 0,5% of WEEE is prepared for re-use in Germany, empirically retrieved data shows that (W)EEE in Bavarian waste collection points has a preparing for re-use potential of 43%⁶.

BOX 4. RREUSE'S CONTRIBUTION TO CURB E-WASTE WHILST TACKLING INEQUALITY

Many RREUSE members create job and training opportunities whilst diverting (W)EEE from landfill through re-use, repair and recycling. For instance, Rehab Recycle in Ireland operates a “nothing to landfill” policy, processing over 80,000 kg of computer equipment each month. This social enterprise offers a nationwide WEEE collection and delivery service, which ensures equipment re-use with a six-month warranty or, if not possible, adequate recycling (including data destruction, on-site shredding, and optimal resource recovery). Rehab Enterprises is Ireland's largest non-governmental employer of people with disabilities, so it doesn't only have a positive impact on the environment but also provides a precious contribution to a socially inclusive society.

Similarly, AfB Austria, a social enterprise mainly employing people with disabilities, specialises in picking up decommissioned ICT hardware from companies, safely deleting the remaining data and preparing it for re-use, thus saving resources and reducing emissions. In 2019, this social enterprise collected more than 80,000 ICT products, preparing for re-use and re-selling 90% of them, ultimately saving 4,150 tonnes of CO₂-equivalent emissions.

Extending product lifetime, either through re-use or repair, is the best way to avoid the extraction of raw materials, the main contributor to climate change⁷. This is particularly true for electronics, which entail environmental impacts along the whole supply chain. According to a report by the UNEP, even if metals recycling increased, rising global demand would remain a huge environmental challenge⁸: that is why re-use and repair are critical for a true circular economy. RREUSE has been vocal regarding the need to support and promote repair⁹ – and many RREUSE's members have launched initiatives to make it easier for citizens to fix their broken items.

⁵ Forti V., Baldé C.P., Kuehr R., Bel G. The Global E-waste Monitor 2020: Quantities, flows and the circular economy potential. UNU/UNITAR, ITU & ISWA, Bonn/Geneva/Rotterdam. (Available [here](#)).

⁶ Messmann, L., Boldoczki, S., Thorenz, A., & Tuma, A. (2019). Potentials of preparation for reuse: A case study at collection points in the German state of Bavaria. *Journal of Cleaner Production*, 211, 1534-1546.

⁷ UN (2019). *Global Resources Outlook* (Available [here](#)).

⁸ UNEP (2013). *Environmental Risks and Challenges of Anthropogenic Metals Flows and Cycles*. (Available [here](#)).

⁹ RREUSE (2015) *Improving product reparability: Policy options at EU level*. (Available [here](#)).

BOX 5. SOLIDANÇA: “REPARATRUCK” TO PROMOTE REPAIR

In order to promote and enhance accessibility to repair, Solidança launched with support of the Catalan Agency of Waste the ReparaTruck service. The ReparaTruck is a free service by which a truck travels around several municipalities providing tools, skills training, and advice to repair small appliances, ICT products and bikes. The ultimate aim is to promote repair and extend product lifetime by empowering people to learn how to repair broken items themselves.

4. SOCIAL ENTERPRISES INNOVATING IN THE DIGITAL TRANSITION

Social enterprises also harnessed the power of digital tools such as e-commerce, traceability and reporting software, or ICT warehousing systems to extend product lifetimes through re-use and repair. The use of these technologies allows to achieve a more significant social and environmental impact and can be a powerful vehicle to help re-skill and up-skill workers, in line with EU’s digital ambitions¹⁰.

BOX 6. SECOND-HAND E-COMMERCE INNOVATION IN THE SOCIAL ECONOMY

Trëmma is an online platform in which individuals can give their objects and donate the sale money to the solidarity project of their choice. Users can create ads that will be revised and completed by an employee in insertion who will put it on sale on the e-commerce platform Label Emmaüs. Therefore, with the three initiatives of Trëmma, Label Emmaüs and Label École, Emmaüs France created a digital and innovative ecosystem allowing them to achieve a greater societal and environmental impact, whilst also engaging the younger generation in the circular economy.

In Ireland, a similar initiative was launched in 2018 to open up charity shops to e-commerce. Thriftify acts as an all-encompassing online retailer for charity shops, acting as a medium between them and customers. Since its inception, the company has seen significant growth figures, with 260,000 visitors to the site in 2020 and 93% of Irish charity retailers signed up as of March 2021.

Beyond e-commerce, social enterprises are finding other new innovative solutions to further develop the re-use sector, achieving a greater impact. The Dutch network of re-use social enterprises bKN has been working closely with IDEA-X to develop, implement, and scale up a traceability and reporting software, making the goods, logistics, and value flow management processes more efficient. HERWIN, a network of social and circular entrepreneurs in Flanders (Belgium), recently reached an agreement for all members operating re-use shops to focus on further digitalisation, therefore implementing the same system.

¹⁰ European Commission (2021) 2030 Digital Compass: the European way for the Digital Decade. COM(2021) 118 final. (Available [here](#)).

BOX 7. FOODCLOUD: DIGITAL INNOVATION TO CURB FOOD WASTE

Founded in 2014, FoodCloud revolutionised the handling of food waste. Using an app that connects businesses with surplus foods to charities, FoodCloud offers a user-friendly platform to make food donation straightforward. Businesses can upload a description of the food using their in-store scanner or FoodCloud's app in a matter of seconds, and local charities linked to the platform receive a notification letting them know food is available for collection. In 2019, it redistributed 1,739 tonnes of food, avoiding 5,565 tonnes of CO₂-equivalent emissions and reaching 180,000 individuals.

5. CONCLUSION

Building upon practical examples from the RREUSE network, this briefing provided an overview of social enterprises' contribution to the digital transition. Social enterprises are innovative organisations capable of harnessing new technologies to find solutions to our times' most pressing social and environmental issues. In addition, social enterprises are also tackling some of the most disquieting effects of the digital transition, such as digital poverty or rising levels of e-waste.

If the EU wants to tackle the digital and green transitions, as well as their social implications, there is a need for a more holistic understanding of the intertwined nature of the green, digital, and social agendas. Undoubtedly, social enterprises are pioneering actors who should receive appropriate support and be included as key stakeholders in future policy developments.

6. POLICY RECOMMENDATIONS

In order to support a stronger policy framework facilitating a just and circular digital transition RREUSE recommends the following:

- Use funding mechanisms to support the deployment of digital and innovative technologies that can boost the re-use and repair sector.
- Extend resource efficiency requirements already developed for household refrigerators, dishwashers and washing machines¹¹ to ICT products, but in a much more ambitious way¹². These products should be made more durable and repairable under the Ecodesign Directive, for both independent professional repairers and consumers.

¹¹ European Commission (2019) Regulation laying down ecodesign requirements (Available [here](#)).

¹² RREUSE (2019) EU leap toward the Right to Repair needs an extra push (Available [here](#)).



- Implement durability and reparability scores to nudge consumers towards more circular ICT products, following a pioneering move by France.
- Introduce tax exemptions to support re-use and repair activities, in line with the EU waste hierarchy. Incentives such as partial reimbursements of the repair costs and taxation on primary raw materials should also be considered.
- Ensure that EU financial instruments, particularly the ESF+, leverage enough funding to support social enterprises providing digital skills training. Include social enterprises in initiatives such as the European Digital Education Hub.
- Formalise and mainstream circular skills development programmes at regional and national level, particularly concerning preparation for re-use and repair of electronics.
- Introduce ambitious separate targets for re-use and preparation for re-use of waste electrical and electronic items, following the example of Spain¹³. Separate targets are necessary to prevent re-usable goods from being prematurely recycled, landfilled or incinerated.

¹³ Spain was the first European country to require a proportion of some types of WEEE to be prepared for re-use. This law required 3% of large household appliances and 4% of ICT to be prepared for re-use from 2018.