

Delivering a Just Transition to a Circular Economy

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In order to tackle resource depletion, waste generation, and climate change, it is necessary to transition to a circular economy. However, the social impact of such a transition is oftentimes unaddressed with already vulnerable groups at risk of bearing the burden. This is very concerning because the social dimension of the circular economy is not only relevant from an ethical perspective – but also crucial for a successful green transition that needs to ensure public acceptance and limit trade-offs between social and environmental goals.

Therefore, RREUSE highlights the need for the concept of a just transition to penetrate the debate around circular economy policies. While mostly applied in the context of the energy transition, its principles are also relevant for the circular economy transition. The call for a just transition emphasises the need to promote training and decent work opportunities in the transition to a circular economy, thus assisting workers who could otherwise lose their jobs and livelihoods due to the transition.

This article aims to showcase how social enterprises contribute to an inclusive and just circular transition. It does so in three key areas: job creation, reskilling and upskilling, and provision of affordable essential goods for vulnerable individuals.

The role of social enterprises in creating circular jobs

According to existing research, the shift to a circular economy will have a positive net impact on employment in the EU. This is due to the fact that circularity will bring about a shift from material-intensive to labour-intensive activities.

This is particularly true for activities higher in the waste hierarchy, which have a higher job creation potential due to the intrinsically labour-intensive activities necessary to extend the lifespan of products. For instance, in the re-use sector, these include the reception of goods (identification, first quality checks, sorting), storage and logistics (adequate transport and handling, dismantling, storage of surplus merchandise), and restoration (dismantling, cleaning, repair, functionality checks).

BOX 1. JOB CREATION: THE EXAMPLE OF CHARITY RETAIL IRELAND

Charity Retail Ireland is the umbrella organisation for charities in Ireland operating shops to fundraise for their causes, ranging from large charities to local, community-based organisations. These shops collect a very wide range of items such as furniture, clothes, books, electrical appliances and more. These goods are sold in 500 shops nationwide.

These activities generate added social value – €42 million of social impact, taking into account the value of volunteer work and the benefits of labour activation programmes. In 2020, Charity Retail Ireland employed 600 people and collected 14,775 tonnes of products (equal to the weight of a fleet of more than 1,000 buses), thus creating 40,6 jobs per 1,000 tonnes of products collected with a view of being re-used. Moreover, Charity Retail Ireland engaged 8,000 volunteers in its activities. The source of these figures and more information about Charity Retail Ireland can be found [here](#).

Labour-intensive activities such as re-use and repair have the potential to create a diverse range of jobs, notably for people distanced from the labour market. According to data from RREUSE, a social enterprise active in re-use and preparation for re-use today creates on average 70 jobs per 1,000 tonnes collected with a view of being re-used. Moreover, most social enterprises employ between 45% and 80% disadvantaged groups in their operations.

BOX 2. HERWIN: JOB OPPORTUNITIES “FOR LITERALLY ANYONE”

HERWIN is a Flemish network of social enterprises active in the circular economy providing job and training opportunities for people distanced from the labour market. In a context in which 500.000 people in Flanders are willing and able to work but are not skilled enough or cannot meet current productivity expectations, HERWIN launched the Reverse Vacancy Campaign to give opportunities to 50.000 individuals distanced from the labour market.

This campaign offered 100 job placements at HERWIN “for literally anyone”: a vacancy without high demands regarding experience or diplomas, but rather focussed on the needs of the employees to gain skills. By guiding, supporting, and listening to them, disadvantaged individuals can regain self-confidence, self-esteem, and future prospects.

Therefore, while a circular economy will lead to a major shift in the industry, including job losses in certain declining sectors fully dependent on a linear take-make-waste economy, the social economy has the potential to drive an inclusive transition by offering job opportunities to low-skilled workers from sectors that are undergoing major changes and other persons at risks of social exclusion, therefore protecting livelihoods.

Providing skills for a circular economy

The move towards a circular economy will bring about many changes in skills requirements. Therefore, a just transition will require upskilling and reskilling efforts across different sectors and activities to match the changes in the value chain.

BOX 3. HORIZON CENTRE: PROFESSIONAL QUALIFICATIONS IN THE CIRCULAR ECONOMY

Les Petits Riens' Horizon center was created in 1993 thanks to the Horizon program of the European Commission. It offers socially disadvantaged people in Brussels the possibility of acquiring a professional qualification as a technician in large household appliances and in electromechanics, thus enabling them to develop vocational and employability skills and fostering circular skills. This training itinerary has an overall duration of 1,850 hours, split into 700 hours of theoretical training, 1,000 hours of practical training in a workshop, and 150 hours in a traineeship.

Social enterprises have a major role to play in facilitating the development of circular skills training pathways. Indeed, many social enterprises have decades of experience in providing quality jobs and training opportunities to vulnerable individuals notably in re-use and preparation for re-use activities. These opportunities are and will be crucial for the development of manual, digital, and cognitive skills required for a sustainable circular economy.

While technical and digital skills are critical, RREUSE highlights the importance of transferable manual skills (sorting, stitching, handling, repairing, dismantling, etc.) which are at the core of the activities at the top of the waste hierarchy and provide opportunities for disadvantaged individuals, such as long-term unemployed, low-skilled, or marginalised persons.

BOX 4. THE BIKE STATION: DEVELOPING CIRCULAR SKILLS FOR YOUNG PEOPLE & INMATES

The Bike Station provides opportunities to young people excluded from traditional education to help them develop circular skills and increase their motivation and self-confidence. This social enterprise provides accredited courses and professional support, enabling trainees to achieve Velotech qualifications – bike maintenance and professional mechanics qualifications recognised by Scotland's national cycling organisation.

The Bike Station has also developed a partnership with the Scottish Prison Service to work with prison workshops. This partnership enables the inmates to get an experience of working with bikes and employability skills, whilst also gaining professional qualifications and refurbishing bikes.

To support social enterprises providing training opportunities, it will be necessary to develop regulatory frameworks that facilitate the development of skills and their transfer. Some organisations face challenges with the duration of work placement programmes or inflexible norms that can hinder their upskilling and reskilling efforts. Social economy organisations can provide high-value partnership opportunities for the public and private sectors, strengthening skills provision and ensuring efficient matching of circular skills, workers, and job opportunities.

Offering affordable essential goods for low-income groups

A just transition entails managing the restructuring of the economy whilst protecting livelihoods. Therefore, while the labour market is essential, another way to deliver a just and inclusive transition to a circular economy for all is to provide affordable circular alternatives for low-income consumers, which allow them to also reap the benefits of a circular economy, leaving no one behind.

BOX 5. PROVIDING BASIC GOODS TO VULNERABLE INDIVIDUALS

Formació i Treball has developed partnerships with local social welfare services to give assistance to very vulnerable people. The purpose of these programs is the provision of basic goods (food, clothes and furniture) to vulnerable individuals.

Therefore, Formació i Treball collects and prepares for re-use clothes and furniture to be delivered with dignity to low-income groups. To prevent stigmatisation and deliver the goods with dignity, these individuals can go to any of the shops, choose their favourite products, and pay with a code by which the local social welfare service will reimburse Formació i Treball. This system safeguards access to basic goods whilst providing choice, dignity, and anonymity to those who need it. In 2021, 12.767 people have been beneficiaries of the free delivery of second-hand clothing and furniture.

Basic goods are essential to the well-being of individuals. Therefore, in the process of phasing out the linear take-make-waste economy, depriving disadvantaged individuals of affordable basic goods would be a major obstacle for a fair and inclusive green transition. Social enterprises make an invaluable contribution by bringing products back to the market at affordable prices or even free for very vulnerable groups.

BOX 6. SECOND-HAND SCHOOL SUPPLIES TO COUNTER SOARING INFLATION

In the context of soaring inflation, school supplies are increasingly becoming a financial burden, notably to low-income families. Therefore, social enterprises across Europe are responding by offering special solidarity discounts in line with their social mission.

In Belgium, [De Kringwinkel Antwerp](#) offered discounts for students and teachers on second-hand products such as books, desks and upcycled satchels. Likewise, many Emmaüs stores in France offered discounts of 20% and up to 50% to facilitate students' access to a broad range of goods. For instance, the solidarity bookshop [Coquelicots](#) sells school supplies at minimal prices (e.g. 10 pens for 1 euro) to counter soaring inflation.

Policy recommendations

The interlinkages between social inclusion and circular economy should be acknowledged and reinforced in order to achieve a just and inclusive transition. For that purpose, RREUSE proposes a number of policy recommendations:

- Ensure holistic targets encompassing social and employment sectors when designing EU circular policies, for instance, by including local employment rate as a requirement.
- Mainstream the circular and social economy and their interlinkages within the European Semester Process and Recovery and Resilience Facility, where possible, to effectively encourage the implementation of a fair and inclusive green transition
- Set flexible labour market integration policies that facilitate the development of skills, e.g. prolonging the maximum duration of work placement programmes and other norms that can hinder circular skills development.
- Create, formalise and integrate circular skills development programmes at national and regional levels. A participatory approach should be taken when designing these programmes, involving circular social enterprises and promoting partnerships with other actors.
- Support research concerning skills gaps, trends in employment, and socio-economic impact of the transition to a circular economy.
- Ensure effective implementation of social clauses and reserved contracts in public procurement procedures, for the employment of disadvantaged workers and the creation of local green jobs. Furthermore, include both social and green criteria within public procurement processes.

- Earmark 10% of relevant EU funding to social enterprises active in the circular economy in the next Multiannual Financial Framework period, notably to help create local jobs and promote circular skills training programmes.
- Promote tax regimes fostering circular activities that help provide affordable essential goods and create local inclusive jobs e.g. reduced or zero percent VAT on labour costs associated with re-use and repair and the sale of second-hand goods.

Conclusion

RREUSE members contribute to a just transition by matching unemployed workers with circular jobs, developing skills necessary for a circular economy, and providing free or low-cost essential goods for vulnerable individuals, thus preventing trade-offs between social and environmental goals and contributing to a green transition open to all. The social economy is and will be a key actor to ensure that the transition to a circular economy will not lead to increased burdens and worsening working conditions for low-income and vulnerable individuals.

However, to enable a just transition, strategies combining circular economy policies with job creation, skills development, and social protection measures will be essential. Major changes in value chains must be managed in order to ensure training and decent work opportunities for everybody, thus minimising the impact of job losses, securing fair incomes, and leaving no one behind.



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