The Digital Era of Social and Circular Enterprises: Trends, Opportunities and Future Roadmap

Co-funded by the European Union

THE DIGITAL ERA OF SOCIAL ENTERPRISES

rreuse

Acknowledgements

This report is a deliverable under the project "The digital era of social enterprises: trends and opportunities within the circular economy (DigiSocCirc)", co-funded by the European Social Fund Plus (ESF+) Programme of the European Union. The 12-month project aims to help social enterprises active in the circular economy embrace digitalisation to support and scale up the invaluable social and environmental impact they make. It addresses the main trends, threats and opportunities for digitalisation within the reuse and repair field.

The project consortium, led by RREUSE, is composed of individual social enterprises as well as regional and national networks of social enterprises active in reuse, repair and recycling from across the European Union, namely:

Partners:

- Re-Use Austria
- Ateliere Fără Frontiere (AFF, Romania)
- Humana Nova (Croatia)
- Branchevereniging Kringloop Nederland (BKN, The Netherlands)
- Re-Use Deutschland (Germany)
- Kierrätyskeskus (Finland)

Associated partners:

- Asociación Española de Recuperadores de Economía Social y Solidaria (AERESS, Spain)
- ENVIE (France)
- Emmaüs Europe

The preparation of this report has required the dedication, time and expertise of all partners of the DigiSocCirc project.

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Executive Summary

To adapt to evolving market trends and remain competitive, it is no longer an option but rather a necessity for social enterprises active in the circular economy to undergo a digital transformation. Digitalisation provides social enterprises a crucial opportunity to improve and optimise work processes in their reuse and repair operations, particularly in the collection of reusable items, their sorting, traceability, logistics, as well as customer-facing services, including e-commerce and maps. However, with limited resources and given the focus on work integration of disadvantaged individuals, social enterprises face significant challenges in their digitalisation journey, which can hinder their efforts to digitally transform.

The aim of this report is thus to provide a comprehensive overview of the different digital and social trends in the digital transitions embarked by social enterprises active in the reuse sector, and the challenges and opportunities associated with these emerging trends. It also identifies the necessary steps for mainstreaming and scaling up digitalisation, and provides a roadmap for long-term cooperation within the social enterprise community. In order to achieve this, it proposes a list of policy recommendations to determine the support that social enterprises require from EU and national institutions to digitalise.

Overall, the key findings show that the benefits of digitalisation are multi-faceted: it increases efficiency, elevates the profile of social enterprises, improves the employability and skill sets of the insertion workforce, and unlocks new market and business opportunities. It is thus vital that these social enterprises join hands to synergise efforts and build internal capacity to jointly digitalise their operations. Critically, this would involve having strategic discussions at the EU and national structures, technical exchanges and in-depth learning as well as cross-border initiatives. By building upon one another's experiences and pooling resources together, successful digitalisation can potentially become a reality for all, with the scaling and mainstreaming of digital tools and skills across organisations.

Introduction

The partners of the DigiSocCirc project consortium comprises of social enterprises active in the reuse sector (see Table 1). They conduct reuse operations with a variety of material streams, such as textiles, electrical and electronic items, furniture among others. To this end, they first collect items from residents through their reuse centres, door-to-door visits and at public waste collection points, or through partnerships with the private sector to receive surplus items. Following which, they sort items into various categories and into different pathways (e.g. deciding whether the item can be reused directly or that it requires some processing before it can be reused). For items that require processing, they carry out repair or refurbishment, where necessary, to restore the items into a usable condition. After which, they resell their reusable items in both their physical and online stores. Through these activities, they employ disadvantaged individuals distanced from the labour market, improving their employability by cultivating new skills (e.g. repairing skills, sewing skills) and building their self-confidence[1].

RREUSE, the lead partner of the DigiSocCirc project, is Europe's largest network of social enterprises active in reuse, repair and recycling. Through the DigiSocCirc project, it has coordinated regular structured meetings with the project consortium to delve deeper into the topic of digitalisation for the social economy community, fostering the exchange of experiences and knowledge in the field as well as collaborations among partners. As the lead author, RREUSE aims to reflect the meaningful insights shared across these meetings in this DigiSocCirc project final report.

This report is the culmination of the research and workshops conducted across the one-year duration of the project, with contributions by the project consortium and other RREUSE members. It is based on the previous case studies reports[2] and finding reports[3] on reuse operations and customer-facing services.

[1] RREUSE (2023) Putting people and skills at the core of the circular economy: 18 stories from social enterprises. (Available here).

[2] RREUSE (2023) Case studies on skill sets and social impact 01. Digital and social trends in reuse operations (Available here) and RREUSE (2024) Case studies on skill sets and social impact 02. Digital and social trends in customer-facing services (Available here).

[3] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in reuse operations (Available here) and RREUSE (2024) Findings and Evaluation Report #02. Digital and Social trends in customer-facing services (Available here).

Table 1. List of social enterprises in the DigiSocCirc project consortium

Partners	Description
Re-Use Austria	Re-Use Austria is a network of primarily social enterprises that represents 46 reuse operators in Austria. In 2022, it launched WIDADO, an online marketplace for reuse products for social enterprises in Austria. The main reasons behind this were the rapid growth of e-commerce and the lockdown circumstances during the COVID-19 pandemic, which posed a challenge to the traditional business models of social enterprises based on in-store second-hand retail. **Re-Use Austria customer-facing services case study (pages 4-6)** **WIDADO: Re-Use Austria's e-commerce solution for social enterprises**
ateliere fără frontiere | Groupe SOS |	Ateliere Fără Frontiere (AFF) is a Romanian non-profit organisation for the social, professional and civic insertion of vulnerable, excluded and marginalised people. It offers circular services and products in four workshops. One of them is the remesh workshop[4], which collects banners from businesses and upcycles them into fashionable products. While most of the sales in remesh are B2B, it also has an online shop where it sells these products to individual customers. **AFF customer-facing services case study (pages 9-10)** **Remesh project transforming banners into fashion products for e-commerce**
HumanaNova	Humana Nova is a social cooperative that provides employment to disabled and other socially excluded persons through the production and selling of quality and innovative textile products made from ecological and recycled fabrics, for the needs of the domestic and foreign markets. In 2021, it created a new webshop platform where it sells its upcycled textile products and sustainable goods. **Humana Nova reuse operations case study (pages 3-5)** **Balancing digital & manual labour in social enterprises' reuse operation**

[4] The other three workshops are educlick (a national platform for collecting and refurbishing electronic waste which are then donated to schools), the bio&co organic farm (a social farm growing organic vegetables that are delivered locally through an annual subscription) and logietic (an innovative service that offers logistics and packaging support to companies seeking social and environmentally friendly services).

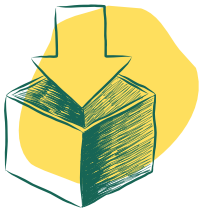
Table 1. List of social enterprises in the DigiSocCirc project consortium

Partners	Description
Branchevereniging Kringloop Nederland	Brancheverenigning Kringloop Nederland (BKN) is a network association that represents 67 social enterprises with approximately 250 reuse stores throughout the Netherlands. It stands for a circular economy, an inclusive society and a professional reuse sector. In 2022, it set up a webshop, OnlineKringlopen.nl, where all its members can collectively sell their second-hand items online. The platform is designed with a very low skills threshold so that it is accessible to all employees within member organisations. **BKN reuse operations case study (pages 9-11)** **Using digital monitoring to develop a data-driven reuse sector**
RE USE	Re-Use Deutschland e.V. is the German nationwide umbrella brand for cooperation and guaranteed quality in resource conservation through reuse, repair and upcycling (upgrading of materials) in second-hand stores. It is the label for reuse and repair facilities oriented towards the common good and for cooperating public recycling centres, manufacturers and dealers. It counts 16 members and is currently running a project with a wide range of stakeholders to develop an e-app that can identify and assess electronic waste. **Re-Use Deutschland customer-facing services case study (pages 7-8)** **An innovative e-app for reuse of electrical equipment made easy**
Kierrätys-keskus	Kierrätyskeskus is a non-profit company that reduces resource consumption, increases environmental awareness and employment opportunities. The centre has 13 stores in the Helsinki metropolitan area and a nationwide online store. Its e-commerce business has been in operation for 8 years and is currently in the testing phase for sales across multiple platforms to expand its reach and improve customer experience. **Kierrätyskeskus reuse operations case study (pages 6-8)** **Social enterprise providing meaningful employment opportunities and digital skills**

Table 1. List of social enterprises in the DigiSocCirc project consortium

Associated Partners	Description
aeress Asociación Española de Recuperadores de Economía Social y Solidaria	AERESS (Asociación Española de Recuperadores de Economía Social y Solidaria) is a non-profit organisation, constituted as a national platform of solidarity entities (associations, foundations, cooperatives and work integration enterprises). These entities are dedicated to reducing, reusing and recycling of waste, with the aim of social transformation and promotion of socio-labour integration of people that are or at risk of facing social exclusion.
envie Nos valeurs redonnent de la valeur	Envie is the French national federation of social inclusion enterprises that has helped marginalised groups back to work through an economic activity which specialises in the collection, repair and sale of second-hand electric and electronic appliances. Goods are sold at affordable prices to households in its network of shops around France.
emmaus europe ACTIVISTS FOR CHANGE	Emmaüs Europe is a federation of Emmaüs organisations covering 20 countries in Europe. The Emmaüs movement is driven by solidarity and stands up for the most vulnerable groups of society. It engages in the collection and sale of second-hand goods, as well as provides housing and jobs to people who have been excluded from society. With over 70 years of activity in waste treatment, Emmaüs has become a strong player in waste prevention and waste management in Europe.

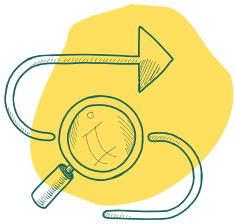
Digital and social trends in reuse operations



Collection

Sorting

Logistics



Traceability

Digital and social trends in reuse operations typically involve the improvement and optimisation of the following processes: Collection, Sorting, Logistics and Traceability.

Collection of items for reuse

In reuse operations, collection can be defined as the process of gathering reusable items which, in most cases, are donated by citizens or organisations. Usual ways to collect reusable objects include collection of donations from citizens in reuse centres, door-to-door collection from households, collection in street containers or in municipal waste collection points.

Social enterprises in the circular economy have typically carried out collection activities by door-to-door collections or through their reuse centres, where residents transport their items and donate them. Door-to-door collections can be conducted regularly following a schedule or on an ad-hoc basis, if someone requests for their services.

In recent years, these social enterprises have implemented online platforms, such as apps, to arrange pick-up appointments from donor households.

These online tools are useful as they help to digitalise the information of these appointments and centralise them on a common platform, thus allowing them to optimise their collection processes, for example, by enabling them to plan their routes more efficiently. They can also follow up with donors on these apps, to communicate if there is a change in schedule due to unforeseen circumstances.

Social enterprises have also incorporated other technology, such as installing digital sensors into used textiles street collection containers that detect how full they are, and monitor their internal temperature and humidity. This allows them to optimise resources, by emptying these containers only when they are sufficiently full, and ensure that the quality of their collections is not affected by ambient conditions.

However, social enterprises encounter fundamental challenges in digitalising their collection processes, such as having a low-skilled workforce, facing resistance to adapt from traditional work processes, and dealing with significant additional costs and competition with mainstream actors. Nevertheless, the skills gap in the workforce can be supported by funding opportunities, or developing partnerships with private businesses for the provision of digital training. An example is a project between AFF and Société Générale Global Solution Centre, which provides insertion employees access to basic computer courses and specialised courses on proper collection, sorting and disassembly of electronic waste[5]. Finally, in spite of the initial costs, these technologies can help improve efficiency in collection processes, thus optimising costs in other aspects of operations.

Complete information on the collection of items for reuse can be found in the earlier findings report on reuse operations [6].

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[5] RREUSE (2024) Findings and Evaluation Report #02. Digital and social trends in customer-facing services pp. 16. (Available here).

[6] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in reuse operations. (Available here).

Sorting

In reuse operations, sorting can be defined as categorising and organising collected items based on their type, quality or condition. It is important to determine which items can be reused, prepared for reuse or recycled.

Traditionally, specially trained workers handle sorting processes in social enterprises, which involve crucial steps such as assessing the characteristics of donated items, and thus their value and reuse potential. To enhance the efficiency of this process, social enterprises have adopted digital tools to support the sorting activities of these workers.

For instance, Google Lens has been used as a tool to analyse pictures of donated items to render the sorting and pricing processes more efficient and objective. One key function it has is the reverse image search, which offers up the same or similar items available online based on a screenshot of an item, hence providing the ability to identify the characteristics and pricing of the item, for better decision-making. These tools potentially free up the human resources required for sorting, to sort other items that require more nuanced judgement that cannot yet be replaced by technology.

Nevertheless, social employment remains the priority of social enterprises, which results in caution about fully transiting to these digital tools at the cost of replacing human jobs. The objective is to find a good balance and use the tools to aid workers, or allow them to work in different types of jobs, rather than replacing them. Most social enterprises also lack the capacity to create their own tools and lack access to the extensive datasets and special equipment that are required for these tools to function. Furthermore, the use of these tools necessitates a significant investment in training the workforce, which is often beyond the capacity of a social enterprise.

Regional or national funding can help alleviate these resource shortages and support the development of these AI tools. For instance, Recycling Börsen, a member of Re-Use Deutschland, received funding from the German Federal Ministry of Economics, to develop an app that identifies the reuse potential of small electrical appliances as well as determines the possible second-hand price[7]. This is expected to improve the accuracy of sorting and pricing processes.

Complete information on sorting items for reuse can be found in the earlier findings report on reuse operations[8].

[7] RREUSE (2024) Case studies on skill sets and social impact 02. Digital and social trends in customer-facing services pp. 7. (Available here).

[8] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in reuse operations. (Available here).

Logistics

In reuse operations, logistics can be defined as the movement and storage of reusable items. This encompasses transportation, warehousing and distribution to ensure items are available where and when needed.

The reuse logistic chain in social enterprises typically involves the collection, storage and dispatch of products, either to the physical store where they are sold, or directly to customers that have purchased these items on their online shop.

Social enterprises have sought to improve logistical efficiency by digitalising different aspects of the logistics chain. Some social enterprises have introduced automation in their warehouses, where they store their items. For example, Kierrätyskeskus has implemented the Tornado automated storage system, which optimises storage space by storing items in a compact manner[9]. The system is also able to accurately select a specific sold item amongst all the stored items and dispatch them for delivery.

Other social enterprises have also adopted digital tools to manage different aspects of their business and logistical processes. This includes human resources, supply chain management and sales, thus allowing them to have an overview of their reuse operations, such as knowing what items come in, what is sold, for how much and when. For instance, Humana Nova has implemented an enterprise resource planning tool to monitor various business processes, including the quantity of collected and reused textiles, raw material stock, production supplies and final products for sale[10]. This enables better documentation and coordination across the logistic chain, greater transparency across the different departments and improved decision-making.

However, the digitalisation of the logistical chain can be challenging for social enterprises. For instance, they face intense competition from mainstream businesses, which have set a standard for rapid deliveries that customers now expect as the norm. This is not always possible to replicate or be the most environmentally sustainable. Moreover, social enterprises may not have the resources to centralise and coordinate all aspects of their logistics using digital tools, which makes implementation difficult.

Nevertheless, despite these obstacles, the digitalisation of logistics offers these social enterprises the potential to refine their business strategy by monitoring the flow of resources throughout the logistics chain and making data-driven decisions to improve their reuse operations.

Complete information on the logistics of reuse items can be found in the earlier findings report on reuse operations [11].

[9] RREUSE (2024) Findings and Evaluation Report #02. Digital and social trends in customer-facing services pp. 6. (Available here).

[10] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in reuse operations pp. 10. (Available here).

[11] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in reuse operations. (Available here).

Traceability

In reuse operations, traceability can be defined as the ability to track the origin, history and life cycle of reusable items. It involves maintaining records of where items come from, their condition, the processes followed to prepare them for reuse and their destination after reuse or preparation for reuse.

Social enterprises have adopted traceability systems to have a clear overview of their operations and to collect valuable data about the materials they handle and the workers they engage. The information collected through such systems allows them to communicate the environmental and social dimension of their work both to their partners, such as public authorities, and to their customers.

To this end, some social enterprises have simple and visually appealing manner, such as the social and environmental calculator developed by AERESS (Spanish network of social enterprises active in the circular economy)[12]. The environmental calculator estimates the amount of CO_2 emissions avoided and litres of water saved for the reuse of a specific product. This illustrates the importance of waste prevention and employing individuals from diverse socioeconomic backgrounds.

[12] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in reuse operations pp. 12. (Available here).

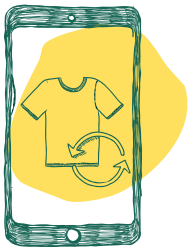
Introducing traceability to the operations of social enterprises brings additional costs and also some challenges. For instance, in many countries and regions in Europe, it is not clear which stakeholder group is responsible for gathering the data and who should finance it. Social enterprises often collect data at their own initiative and cost, despite such data being relevant for EU and national social and environmental indicators or objectives. There are also differing standards across Member States, which further makes the implementation of a unified traceability system difficult.

However, if these obstacles can be overcome, traceability brings about several benefits, including highlighting the impact and credibility of these social enterprises, collecting valuable data, promoting sustainable buying habits by customers and facilitating their partnerships with manufacturing brands for greater product transparency.

At the European level, the future introduction of the Digital Product Passport[13] (DPP) will have the potential to facilitate the traceability of goods during collection and sorting processes, thereby improving reuse rates. It is thus vital that DPP is designed with the reuse sector in mind and not just the recycling sector[14]. It should also be made available on products themselves and not only on their packaging, to increase transparency on environmental and social impacts[15].

Complete information on traceability of reuse items can be found in the earlier findings report on reuse operations [16].

Digital and social trends in customer-facing operations



Second-hand e-commerce

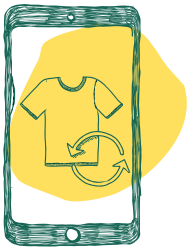
Maps and locator apps

[13] European Commission - Ecodesign for Sustainable Products Regulation. (More information here).

[14] Joint Position paper (2023) Joint Position of European Environmental Organisations on the Revision of the Directive on Waste from Electrical and Electronic Equipment. (Available here).

[15] RREUSE (2022) Targeted stakeholder consultation based on the Staff Working Document "Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem". (Available here).

[16] RREUSE (2023) Findings and Evaluation Report #01. Digital and social trends in re-use operations. (Available here).



Second-hand e-commerce

E-commerce is the buying and selling of goods and services over the internet.

Increasingly, social enterprises active in the reuse sector have been adopting online sales of second-hand goods as part of their business model to adapt to evolving customer behaviours, reach a wider geographical audience and diversify income streams.

That said, online sales of second-hand products are significantly more complex than selling new products, because each individual product is unique and needs to be uploaded separately. This also means that some social enterprises choose to sell online only items whose prices are above a certain value threshold. For this reason, it is important for social enterprises to continually receive sufficient amounts of quality donations of items from citizens for their long-term sustainability and profitability, as they are the only actors in the market that prioritise local reuse and respect the waste hierarchy[17].

Social enterprises have developed online e-commerce platforms that are user-friendly and visually appealing, and are implementing digital tools to market their products effectively to online users, such as search engine optimisation[18] and search engine advertising[19]. They strive for transparency, by providing descriptions and origins of their products, as they tend to be second-hand or upcycled. This also highlights the impact of their work to their customers and informs them about the importance of making sustainable purchases. Moreover, to compete better with larger commercial actors, these social enterprises also endeavour to fulfil expectations in the e-commerce market by providing quality product images, effective customer communication and a wide selection of products for sale.

[17] See principle 4 of RREUSE Guiding Principles on textiles collection and management. (Available here).

[18] The improvement of one's website to align better with the algorithm of search engines.

[19] A form of online advertising where businesses pay to have their ads displayed high up in the search results.

Yet, many social enterprises face challenges in developing and operating their e-commerce business. They deal primarily with unique items and listing them online is time-consuming. Some social enterprises also receive limited quality donations, all of which they can sell in their physical shops. This makes it difficult to justify investing efforts into developing and running an online shop, let alone compete against commercial e-commerce businesses.

Needless to say, an ambition to overcome these challenges and a mindset shift are required for social enterprise e-commerce sales to thrive. Specifically, e-commerce should be recognised as a necessity to strengthen one's brand image, grow business sales and adapt to current retail trends.

> *"Social enterprises must start working with e-commerce today and not tomorrow."*
>
> *- Re-Use Austria representative*

The aforementioned hurdles can be surmounted more easily if these social enterprises join forces and develop a common marketplace, for example, at a regional or national level. This can mainstream the e-commerce market of social enterprises by enabling the sale of a larger selection of products and a wider consumer base.

Social enterprises often belong to a local or national membership, or umbrella organisation, which is an alliance or association that connects these social enterprises with one another and with various stakeholders to enhance their collective impact. These organisations also provide a platform for collaboration, resource sharing, advocacy and support. Such organisations can help overcome the challenges in developing e-commerce by helping to facilitate the capacity building of their members. This can be carried out through the provision of training and regular monitoring, and through meetings to share best practices.

These social enterprises can leverage their social media channels and use social media advertising[20] to educate customers about their products and the people behind them, infusing a socially responsible and human touch to their retail experience. They can also boost their online sales by featuring influencers who share their values and are dressed in their outfits on these platforms. This strategy, successfully employed by Humana Nova[21], has had a positive impact on their online sales. These enterprises can also highlight existing quality labels[22] to showcase their environmental and social impact, to differentiate themselves further from mainstream competitors.

Using existing mainstream resale channels is another way social enterprises can develop their e-commerce, without having to develop their own platform. There are a number of social enterprises that use existing online sales platforms, such as eBay, Facebook Marketplace or dedicated platforms for specific categories of products, to sell their goods.

Last but not least, the use of AI technology can streamline and optimise work processes in e-commerce. Re-Use Austria, for example, uses AI-supported image recognition, which integrates with OpenAI tools to register and upload products on their online marketplace, thus generating data based on existing OpenAI databases instead of having to build a database from scratch. This helps to save time and improve data quality. Additionally, AI tools are also user-friendly and lower the skill barrier required, thus enabling the inclusion of insertion employees in their digitalisation.

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[20] A form of digital advertising that delivers paid ads to a target audience on social media platforms.

[21] Social media campaign by Humana Nova featuring an influencer in Croatia.

[22] A number of RREUSE members have introduced their own quality standard systems, including the Solid'R and electroREV labels by RESSOURCES (BE), the eponymous label by FairWertung (DE) and the 100% Kringloop quality mark by BKN (NL).

For instance, AI tools in BKN's webshop[23] make it possible for its members' employees who are not digitally skilled to upload products and use the platform.

Complete information on second-hand e-commerce can be found in the earlier findings report on customer-facing services [24].

Maps and locator apps

Digital maps are interactive digital representations of geographical areas used to locate second-hand stores and donation points of social enterprises. These maps can be accessible through various digital platforms, including web browsers and mobile apps.

Locator apps are software applications designed to determine and share real-time geographical locations to provide users with accurate and up-to-date information about the specific whereabouts of the services provided by social enterprises.

The project partners have increasingly embraced the use of digital maps and locator apps as they bring about several benefits, including informing customers about shop locations and donation spots, facilitating partnerships between social enterprises and the private and/or public sector, and offering the opportunity to scale up these partnerships across regional, national and local territories. Nonetheless, locator apps, which require more extensive development and higher investment costs, are less frequently used.

To build an online presence rapidly, social enterprises find it useful to list their second-hand shops on Google Maps and include frequently used keywords (e.g. "second-hand" or "upcycled") such that their shops appear more frequently in the search engine. In fact, some organisations have even created a unique map of their shops or facilities, such as Humana Nova and ENVIE[25]. Having an exclusive map enables specific sites of a social enterprise to be highlighted to users, reducing competition compared to a general search that displays them alongside commercial second-hand retailers.

[23] https://onlinekringlopen.nl

[24] RREUSE (2024) Findings and Evaluation Report #02. Digital and social trends in customer-facing services. (Available here).

[25] See Humana Nova's map and ENVIE's map.

To reinforce user engagement, these social enterprises seek to provide up-to-date and accurate information in their maps while also providing extensive data points. For instance, Re-Use Austria's donation location map[26], which is regularly updated, has 1498 locations in Austria for users to find a suitable spot in their proximity to donate their items. In FairWertung's map[27], users can report the status of the collection point and provide an email contact for follow-up. Apart from providing basic information such as contact details and addresses on the map, these social enterprises offer other information such as the product streams they handle, services offered and quality standards to assist potential collaborators and users in identifying which organisation to engage with.

Moreover, they link their maps to search engines to enhance their visibility in location-based searches for sustainable products. They also promote their maps, through social media, websites and word-of-mouth, to expand their reach and encourage customers to shift from exclusively visiting physical shops to also using their online maps.

Despite the numerous benefits these maps offer, there remain some obstacles in terms of access to funding opportunities, particularly funding that is dedicated to the map's long-term viability beyond its implementation, and a lack of internal capacity to maintain and update the tool. Furthermore, the wide range of digital maps currently available may dilute the pool of online users engaging with their specific map.

However, digital maps can offer a wide range of opportunities if these issues can be addressed. For instance, these maps can be used to provide even more comprehensive information for users, such as calls for donations of specific objects during the year or the types of product materials collected, to introduce logistical convenience to potential donors. This can also increase the chances of private businesses or customers engaging with them. Simultaneously, digital maps can promote the activities of social enterprises and channel users towards their physical and online shops to improve overall sales. These maps, such as the RREUSE network member map[28], also exemplify the outreach and impact of these social enterprises to EU institutions, national and local policy-makers, which can help work towards a more enabling policy environment.

Like second-hand e-commerce platforms, enterprises that are starting out can learn from others who have successfully launched their own maps, avoiding the need to reinvent the wheel and saving themselves from extensive work. Cross-boundary collaborations, such as Re-Use Austria's collaboration with Emmaüs France's online shop (Label Emmaüs), to develop their online marketplace (WIDADO), can promote regional and national cooperation to enhance the sharing of knowledge and development of joint solutions[29].

Complete information on maps and locator apps can be found in the earlier findings report on customer-facing services [30].

[26] See Re-use Austria's map.

[27] See FairWertung's map.

[28] RREUSE (2024) Findings and Evaluation Report #02. Digital and social trends in customer-facing services pp. 13. (Available here).

[29] RREUSE (2024) Findings and Evaluation Report #02. Digital and social trends in customer-facing services pg. 14. (Available here).

[30] RREUSE (2024) Findings and Evaluation Report #02. Digital and social trends in customer-facing services. (Available here).

A roadmap for social and circular enterprises to embrace digital tools

The DigiSocCirc project created a much-needed space for social enterprises from across Europe to come together to share their experience and it built momentum for keeping the digitalisation topic high on their agenda. To maintain this momentum in the RREUSE network and scale up digitalisation activities in the reuse sector, the consortium identified the following building blocks in a roadmap to embrace digital tools that can be applied to any stakeholder group.

Scaling-up social enterprise digitalisation

On an organisational level, one can envision the process of digitalisation as several distinct stages, like the phase model in e-commerce by Re-Use Austria (see Figure 1). Initially, there are limited digitalisation initiatives with minimal impact on traditional business areas. This is followed by an intensification of activities to mainstream and scale-up the digital transformation, which also involves cross-border cooperation and knowledge exchange with other organisations. Eventually, the organisation achieves extensive digitalisation which profoundly impacts the overall business. Within the context of e-commerce, this could include the establishment of a joint European marketplace and online business operations that drive the development of reuse activities in social enterprises.

> *"Expanding online platforms is a more forward-looking approach to our business models than relying solely on physical reuse shops. Online platforms offer capacity, accessibility and reach that would have never been possible with normal stores, helping to make a significant leap in delivering regional second-hand products to our customers."*
>
> *- Re-Use Austria representative*

Figure 1. Phase model of reuse organisations in e-commerce

No or non-targeted discussions and considerations about e-commerce, possibly due to the assessment that e-commerce plays a subordinate role in the reuse sector.

Isolated activities at a low level. Perception of the boom in e-commerce, but without any significant impact on the traditional business area.

Decision in favour of intensifying e-commerce activities, joint marketplace, gathering and sharing experiences, manageable use of resources.

Intensification of activities, greater use of resources, increase in revenue - semi-economic efficiency.

The e-commerce department is run and managed with the same intensity as the stationary shop - reaching the break-even point.

Total sales in stationary shop(s) retail and e-commerce are at a similar level (40-60%).

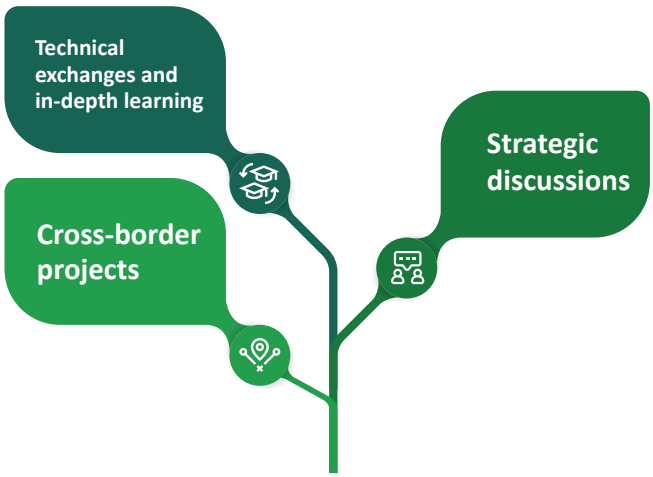
E-commerce is the driving force behind the pan-European Reuse development of social organisations. There is a joint European marketplace for RREUSE members.

Source: Re-Use Austria

Scaling-up through cross-border cooperation on digitalisation

Shifting to a broader perspective beyond the organisation, cross-border learning and sharing innovative practices are essential for the digitalisation of social enterprises. Through this, social enterprises can synergise their efforts and combine expertise, thereby enhancing their capacity to digitalise work processes more rapidly than if they work independently.

The project consortium and RREUSE members have proposed the following building blocks of cross-border cooperation:



Strategic discussions

To ensure that the sector is headed in a common direction with a shared vision, where possible, it is important to hold discussions on the strategic level: to talk about the current trajectory of the sector, the future development vis-à-vis market and technology developments and to work towards a possible harmonisation of solutions. These discussions can be coordinated by higher-level European or national structures, such as RREUSE, with the organisations' managers or main representatives.

These strategic discussions would also provide a conducive platform for continuous feedback and iteration, which is crucial given the constant developments in technology and the changing regional, national and local landscape of the reuse sector. Such discussions are essential to align the overall strategy while ensuring it is adaptable to the diverse contexts of the stakeholders involved.

Technical exchanges and in-depth learning

Secondly, regular structured exchanges on specific technical and practical subjects in a group are needed, providing building blocks of information for each organisation to be able to use them in their own context. These topics can be very concrete, such as the use of AI tools for sorting textiles, digital marketing strategies, setting up an e-commerce business, etc.

Such group discussions enable in-depth learning and foster strong connections among the group members. While these exchanges can be coordinated by a higher structure, such as RREUSE, they also provide opportunities for organisations to take the lead on specific topics within their areas of expertise. This not only creates a stronger sense of ownership for the organisations, it ensures that the discussion is led in a way most relevant for the people implementing the activities. The technical sessions would ideally target persons involved directly in the operations of reuse centres. To ensure that these discussions tackle the most relevant topics, a survey can be carried out to identify them.

> *"Hearing from other participants in the workshop provided us with fresh ideas for our own reuse operations, as well as insights for joint improvements and new initiatives."*
>
> *- Participant in a DigiSocCirc workshop*

Additionally, a buddy pairing system, where less experienced members are paired with seasoned members to seek advice and expertise for a defined period, has been identified as a good practice of cross-border cooperation. This pairing can be voluntary, formalised through a contract and/or financed through specific project funding. For instance, the project partners Re-Use Austria and AERESS have collaborated on a project, based on funding granted in Spain, where they worked together on the theme of e-commerce. Re-Use Austria has also connected with another project partner, Kierrätyskeskus, and have met in Finland to mutually share their digitalisation experiences and learn from each other what has worked and what has not. After the experience, Re-Use Austria emphasised the importance of an in-person meeting, including warehouse visits of the other organisation, for a more elaborate discussion and better understanding of how the system works. While every enterprise is unique and solutions often cannot be replicated exactly in another country, it is highly valuable to keep up with different perspectives and solutions which may be relevant in an adapted form or at a later stage of digitalisation.

Social enterprises can also take inspiration from the project partner BKN, which has established the BKN academy to instil digital skills in the

workforce of its member organisations, as part of its implementation of a common online marketplace. This includes the distribution of instructional videos and the organisation of online webinars for their members' employees. Such processes could be adopted on a cross-organisation level, where member organisations seamlessly share expertise with one another. This can be done through a cloud-based platform such as Google Drive or Dropbox.

Cross-border projects

Funding is required for cross-border collaborations to gain traction and be sustainable in the long-run. This can take place through cross-border projects that are funded at the local, national or EU level. Some social enterprises have been involved in EU projects that support the development of their e-commerce on a national level. For instance, Kierrätyskeskus had a project funded by the European Social Fund (ESF), where digital skills and environmental expertise were actively taught to insertion employees. Such projects can be expanded to a cross-border scale to effectively impact social enterprises across Europe and kickstart more active regional participation towards digitalisation efforts. These actions provide funding for initial research and possible pilot studies, and further exploration and implementation of digitalisation initiatives on a wider geographic scale that would otherwise not be possible.

Thus, it is important that social enterprises routinely exchange information about funding and grant opportunities and collaborate on relevant project applications as a consortium. This approach not only achieves a cross-border collaboration approach, but also distributes the responsibilities of the project across the consortium, allowing each social enterprise to meaningfully pursue these projects while balancing their daily operations.

Table 2. Building blocks of Cross-border approaches to Digitalisation

	Strategic discussions	Technical exchanges & in-depth learning	Cross-border projects
Objective	To ensure common trajectory of the sector and its strategic development	To ensure exchange of concrete and detailed knowledge among practitioners	To ensure funding and long-term sustainability of digitalisation efforts
Tools	• In-person meetings • Online meetings • Cooperation on advocacy efforts	• Webinars to present examples of best practices • In-depth and focused technical discussions • Surveys • Individual interactions • Buddy system	• EU projects • Non-EU funded projects, including those funded by philanthropic organisations • Partnerships with private or public partners

Overarching activities

- Attending networking events such as workshops and conferences
- Seeking partnerships beyond the social enterprise sector (private companies, public sector, technology providers, research institutes, etc.)

For all levels of cooperation, the partners have also identified tools that can be used to facilitate exchanges on digitalisation:

- **Newsletters** and **website publications** that showcase recent developments in digitalisation initiatives.
- **Surveys** that allow organisations to flag interest in particular topics and provide examples related to digitalisation; subsequently, these survey results could be shared with everyone.
- **An online portal** for sharing knowledge and resources (e.g. training powerpoint slides, webinar recordings etc).
- **Webinars** featuring practitioners presenting their project platforms, such as the Innovation Forum organised by RREUSE for its members. These are useful for members to share their success stories or innovations that can inspire other members. The contact details of presenters and attendees in these events are made available so that interested parties can reach out afterwards. These events could also be recorded and shared.

Overall, the project consortium and other RREUSE members felt that there needs to be a combination of approaches to cross-border cooperation. Firstly, while the strategy is primarily led by a higher structure, such as a network, both the network and member organisations should organise and lead activities in various capacities. For instance, the network can offer a platform for member organisations and similar social enterprises to come together through its activities and communication channels, carry out regular workshops and forums for discussion between members, as well as provide useful contacts and knowledge of funding opportunities.

On the other hand, member organisations can lead the creation of focus groups, determine regular structured exchanges within these groups and initiate partnerships with other social enterprise(s) directly. These partnerships can be achieved through funded projects.

A variety of methods can also be implemented from online and in-person meetings, to forums, webinars or roundtable discussions depending on the purpose of the meeting. They can be accompanied by asynchronous communications such as surveys or emails within a network organisation, which would facilitate communications from different members at their convenience as it does not have to happen at the same time.

Policy Recommendations

This section provides recommendations for policy interventions to support social enterprises' digitalisation. The recommendations address both EU and national institutions.

1 Fund digitalisation measures for the social economy.

Programmes such as those under the EU Cohesion Policy, Horizon Europe, and the National Recovery and Resilience Plans at the national level[31], should ensure the development of technological tools to support reuse operators in the social economy. This recommendation also aligns with the 2023 Council Recommendation on developing social economy framework conditions which underlines the importance of ensuring that social economy policies align with the digital and circular transition (Point 8(b)) and helping social economy actors make the best use of new technologies (Point 17(d))[32]. To maximise fund effectiveness and account for social enterprises' limited capacity to apply to multiple projects simultaneously, the roll-out of calls for proposals should ideally be published within adequate time distance from one another.

[31] To benefit from support under the Recovery and Resilience Facility, Member States are required to allocate at least 37% of their budget to green measures and 20% to digital measures under their Recovery and Resilience Plans.

[32] Council of the European Union (2023) Recommendation on developing social economy framework conditions. (Available here).

2 Ensure social economy networks' operational continuity.

Social enterprise and other social economy networks are a force multiplier for mutual knowledge transfer, data collection, and sharing collaboration and funding opportunities. Yet, efforts at digitalising the social economy are severely hindered due to a lack of long-term financial support. Member States should accompany digital project-based support with operational grant mechanisms to guarantee operational continuity and uptake of results. For instance, they should replicate the European Programme Employment and Social Innovation (EaSI) at the national level, which has been proven crucial to European social economy network support.

3 Facilitate learning exchanges and networking opportunities between social enterprises, mainstream businesses and research institutions.

Current EU initiatives like the Transition Pathway for the Proximity and Social Economy, the European Skills Agenda, the European Enterprise Network, the European Social Economy Regions and the European Digital Innovation Hubs, should serve as fora to enable social economy actors to explore and connect with like-minded actors on entrepreneurial and management opportunities to advance digitalisation in the circular economy.

4 Raise awareness of European and national funding to support digitalisation.

The new EU social economy website - the Social Economy Gateway[33], is an encouraging example of a digital space that can inform social enterprises about opportunities to get funding for digitalisation projects.

5 Integrate socio-economic and environmental considerations in digital policy design.

Digital policy interventions, such as that on AI, should be guided by a human-centred approach that supports, rather than undermines, inclusive and quality employment creation. Digital tools to advance a circular economy should follow the EU Waste Hierarchy[34], promote technology for efficient resource use and reinforce solidarity-based reuse and repair that uniquely characterise social economy enterprises[35]. Such actions would also help meet the EU Pillar of Social Right Action Plan's target of at least 80% of people aged 16-74 having basic digital skills by 2030, defined by the EU Commission as a precondition for inclusion and participation in the labour market[36].

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[33] The European Commission's Social Economy Gateway website. (Available here).

[34] The waste hierarchy is a tool used in the evaluation of processes that protect the environment alongside resource and energy consumption from most to least favourable actions. It's enshrined in Art. 4 of the EU Waste Framework Directive 2008/98/EC.

[35] RREUSE (2021) Job creation by social enterprises in the reuse sector. (Available here).

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

6 Provide guidelines for proportionate, adaptable and inclusive circular and social impact measurement methodologies.

Section 3 (d) shows social enterprises already measure and communicate their impact, for instance, via digital calculators. Ongoing efforts to support such development under the EU Social Economy Action Plan and within the EU circular economy agenda should meet social enterprises' needs and characteristics, and be designed with their consultation to prevent imposing digital barriers as well as counterproductive and unrealistic administrative burdens in reporting.

7 Adapt university curricula to promote green social entrepreneurship that integrates digitalisation aspects.

According to the 2023 Eurobarometer Social Entrepreneurship and Youth, most young people find it important to work for organisations with social or environmental goals[37]. Yet, academic programmes on social and green entrepreneurship to match this interest are scarce. Academic curricula should better tap into social and green entrepreneurship topics, including integrating digitalisation aspects like tech for good and open-source software solutions to equip the current and next social economy workforce with future-proof digital skills.

[37] EU Commission's Eurobarometer (2023) Social entrepreneurship and youth. A majority of young people find it 'very' or 'fairly important' that a potential employer has defined social goals (75%) or environmental goals (73%). (Available here).

Conclusions

Across the consortium partners and RREUSE members, there are numerous existing and upcoming lines of development in the digitalisation of various work processes. This is evidenced by the several examples of digitalisation efforts aimed at optimising and speeding up processes in reuse operations and customer-facing services. Simultaneously, these developments generate opportunities for social economy actors to increase their public visibility, provide capacity building for their workforce and boost their overall product sales.

However, a common strand among most of these social enterprises is their difficulty in achieving the desired level of digital transformation due to fundamental roadblocks, such as having limited resources or a workforce with low digital skills. Their challenges vary depending on the stage of digitalisation they are at, their regional, national and local contexts, as well as the nature of their work, such as the product streams they handle and the activities they engage in.

While the DigiSocCirc project has uncovered these important findings, it has also served as a useful platform in itself to promote peer learning and collaborations amongst these social economy actors, highlighting the importance of having sustained exchanges and partnerships beyond the project. Cross-border cooperations have thus emerged as a vital strategy to foster innovation and sharing of knowledge and expertise on a wider geographic scale, to facilitate digital transformations across these social economy actors. This can be achieved through various means, including having strategic discussions, technical discussions and in-depth learning, and cross-border projects. Under this common vision, social enterprises work hand in hand to elevate one another and surmount similar challenges together, to successfully digitalise their operations and ensure their long-term sustainability and profitability.

Finally, policies should align with these cross-border initiatives to further support digitalisation efforts and provide greater access to funding and capacity-building opportunities for these social enterprises. With this alignment, successful digitalisation can become a reality for many of these actors.

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