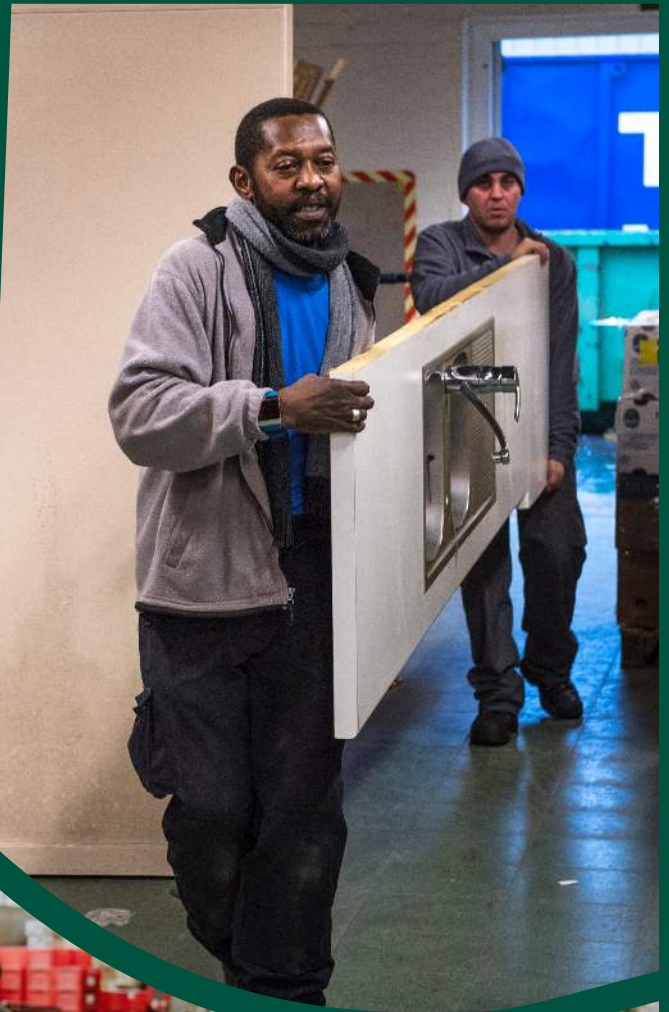


# FOR A JOB-RICH AND INCLUSIVE CIRCULAR ECONOMY

A SOCIAL AND CIRCULAR OUTLOOK 2024-2029



**RREUSE IS THE LARGEST NETWORK OF SOCIAL ENTERPRISES ACTIVE IN THE CIRCULAR ECONOMY ACROSS THE EUROPEAN UNION. OUR MEMBERS FOCUS ON RE-USE, REPAIR AND RECYCLING. THEY DIVERT OVER 1,2 MILLION TONNES OF GOODS FROM LANDFILLS ANNUALLY AND PROVIDE WORK OPPORTUNITIES FOR PEOPLE FACING BARRIERS IN THE MAINSTREAM LABOUR MARKET. SOCIAL ENTERPRISES IN RREUSE NETWORK CREATE, ON AVERAGE, 70 INCLUSIVE, LOCAL JOBS PER 1,000 TONNES OF GOODS THEY COLLECT WITH THE INTENTION OF GIVING THEM A SECOND LIFE THROUGH RE-USE.**



RREUSE's vision for Europe is focused on a job-rich and just transition that brings wellbeing to all, with resilient social enterprises driving an inclusive and innovative circular economy via re-use and repair.

To reap social enterprises' potential in making such a transition come true, we call upon EU policymakers to always put second-hand first. In the 2024-2029 period, this will require policy measures that demonstrate a commitment to three key objectives:

**LINKING THE SOCIAL AND GREEN AGENDA**

**PLACING WASTE HIERARCHY AT THE CENTER OF POLICYMAKING**

**CREATING AN ENABLING ENVIRONMENT FOR SOCIAL ENTERPRISES THROUGH PUBLIC FINANCE AND PROCUREMENT**



# LINKING THE SOCIAL AND GREEN AGENDA

## KEEPING THE BALL ROLLING FOR THE SOCIAL ECONOMY

Measures to upscale the social economy, including social enterprises' pioneering work in the circular economy, contribute to the fulfilment of rights that the European Pillar of Social Rights recognises as essential for fair and well-functioning labour markets and social protection systems. Such measures would reinforce socially and environmentally driven actors to implement a Green Social Deal.

Now is the time to push forward the Social Economy Action Plan's initiatives and cement a long-term vision for the social economy to thrive. In the institutional setup at the EU level, this would require a renewal of the European Parliament's Social Economy Intergroup and the appointment of an EU Commissioner in charge of the social economy.

## BOLD ACTIONS UNDER THE CIRCULAR ECONOMY ACTION PLAN

Although the Circular Economy Action Plan (CEAP) has been in place since 2015 and was renewed in 2020 – marking a milestone in the EU's commitment to tackling overproduction and overconsumption – our lives are still deeply rooted in a linear economy.

Future circular economy legislation and policies – for example on resource and waste reduction or eco-design – need to be ambitious enough to phase out the linear model. They also need to be designed according to the principles of just transition and social inclusion.

## GREEN SKILLS FOR A FAIRER WORLD

Social enterprises show that manual skills development goes hand-in-hand with job creation and preparing the workforce for a circular future. Yet, the current skills policy framework largely focuses on formal education. It leaves little room to certify informal and on-the-job skills development opportunities for those who need such skills and their recognition the most.

Future interventions should focus on recognising certifications by skills providers that work with disadvantaged workers and ease their social mobility. Similarly, the EU needs to boost the demand for re-use and repair skills across the board to address labour shortages and equip a workforce needed for the transition from a linear to a circular economy.



# PLACING WASTE HIERARCHY AT THE CENTER OF POLICYMAKING

## PRODUCERS' RESPONSIBILITY FOR THE TOP OF THE EU WASTE HIERARCHY

Re-use and preparation for re-use, including repair, have a significantly better environmental and social impact than recycling. However, preparation for re-use entails high up-front costs due to the labour required to transform waste into a product. Future EU-level measures need to address this to enhance the economic viability of re-use and preparation for re-use operators.

For the EU policies to be consistent with the waste hierarchy, a sizeable portion of Extended Producer Responsibility (EPR) fees in any waste stream – including Waste from Electrical and Electronic Equipment (WEEE) – needs to be allocated to re-use, repair and preparation for re-use activities. This should be coupled with a particular focus on social enterprises in the circular economy, taking into account the broader societal benefits stemming from their operations in comparison with purely commercial actors.

## AMBITIOUS QUANTITATIVE TARGETS

Targets are key instruments in reaching waste prevention and management objectives but they have not been adequately used so far. Clear quantitative targets can create an incentive to unlock investments and foster cooperation among different actors. This is necessary to ensure the transition towards a more inclusive circular economy.

Drawing inspiration from Member States and regions that already have waste prevention, re-use and preparation for re-use targets in place, the EU should make such targets a standard component of all waste laws.

## FOCUS ON SUFFICIENCY AND WASTE REDUCTION

The EU Waste Hierarchy clearly points to waste prevention and preparation for re-use as activities with the most positive spillover effects. Staying true to this hierarchy can guide policy-making toward synergies between environmental and other policy areas that can create a more resilient and sustainable economy marked by reduced resource use. This is directly tied to the EU's strategic autonomy, competitiveness and climate goals.

A concrete strategy to move towards sufficiency and the achievement of a well-being economy is fundamental to increase the resilience and sustainability of the European economy. In that context, taxation policy can be an optimal tool to unleash the green transition's job potential. That includes zero VAT schemes for repair services and re-use products, giving SMEs like social enterprises greater incentives for their green local employment and training opportunities. This should be coupled with a range of measures against overproduction such as broadening the scope of the ban on the destruction of unsold goods.

# CREATING AN ENABLING ENVIRONMENT FOR SOCIAL ENTERPRISES THROUGH PUBLIC FINANCE AND PROCUREMENT

## STATE SUPPORT FOR SUSTAINABLE SOLUTIONS

State aid is an essential tool to enhance environmental protection, the recruitment of disadvantaged workers and other key activities of general interest. Despite social enterprises' widely recognised contribution to inclusive employment in key circular economy sectors, state aid has been largely underused to mitigate the competitive disadvantage that social enterprises face compared to purely profit-driven enterprises.

In the next term EU State Aid rules (e.g. GBER, De Minimis, and SGEI De Minimis Regulations) should fully recognise social economy enterprises' missions and features and adapt public support to create better opportunities for this sector to thrive and live up to its potential in generating positive social and environmental impact.

## EARMARKED FUNDING FOR THE SOCIAL ECONOMY TO LEAVE A POSITIVE MARK

Societal challenges like higher costs of living and climate-related disasters require a greater and long-term vision of funding resources' allocation for more equitable and resilient societies. Yet, social economy actors like re-use and repair social enterprises note a lack of sustained financial support and funds addressing social and environmental goals together.

The next EU mandate should deliver a more Social Europe by earmarking at least 10% of relevant EU funding (e.g. European Social Fund Plus and Cohesion Funds) for the sustainable development of the social economy.

## PUBLIC PROCUREMENT WITH PURPOSE

Public procurement accounts for 14% of the EU GDP and represents a clear opportunity for public authorities to advance social and environmental objectives. Yet, the majority of procurement procedures use the lowest price as the single award criterion at the expense of a more resilient economy.

The next EU mandate should ensure that public procurement will better channel support to the enterprises that are advancing a socially fair and inclusive green transition. That includes converging environmental and social criteria and facilitating social economy enterprises' access to public procurement.





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[#secondhandfirst](#)

[#socialandcircular](#)

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# PUT SECOND-HAND FIRST



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