

Report of the European Working Group

Circular and partial economy: possibilities for integration into the labour market for job-seekers who have limitations (project nr. 13 02 19 AG)

Eindhoven, the Netherlands

January 30 & 31 and February 1 2020

Thursday Januari 30 2020

I. Opening of the seminar

by **Bruno Machiels**, secretary of EPSIN and administrator in non-profit organisations

Bruno Machiels opens the seminar and welcomes all participants.

He stresses the special objectives of this meeting.

We have to delve deeper into the new economic developments of circular and partial economy that are gaining a large and rapid expansion in Europe. Then we have to focus on the opportunities for new job creation. Therefore we need an analysis of the current and future jobs that will be needed with a special focus on jobs for job seekers with a disability. Having done so we can give incentives to existing and new initiatives to exploit these new developments and learn from each others opportunities and limits.

II. Introduction of the participants

The participants introduce themselves and their organisations.

It appears that most of them are active in local or national initiatives to create chances for workers with a distance to the labour market and to create jobs. A number of them have already gathered experience with examples of circular economy.

III. Introduction to the seminar theme

by **René Vrieling**, professional trainer for workers' organisations, the Netherlands

Circular economy is a very important topic for the European Union and strongly related to the domains of ecological and social policy.

Herman van Rompuy, former president of the European Council, spoke in 2019 in Oisterwijk (NL) on the chances that social market economy provides for the combination of freedom with social cohesion. Market economy is corrected by social cohesion and ecological developments. This also means that responsibility and solidarity can face populism and the fear of citizens not to be protected. The 17 UN goals for sustainability can only be reached when nr 17 is practiced: co-operation between governments, enterprises and NGO's. This requires moral leadership and pioneership. Enterprises should show ethical behaviour and integrity but also allow the workers to act ethically. You should be a moral leader for the chain in which your company operates or for the sector as a whole. Being a pioneer is setting good examples and clear goals.

Peter Bakker (chairman World Business Council for Sustainable Development) has declared that entrepreneurs must be the pioneers because the politicians are not able to. Companies are the most powerful organisations to bring about changes. Sustainability was in the beginning an act of public relations but now it has become a necessity and can even become profitable.

Integrated leadership is needed which means that the management should not only operate on financial criteria but also consider the social impact and the consequences for environment and climate. That means that you should not only engage a CEO and CFO but also a CTO (Chief Technical Officer) and a CSO (Chief Sustainability Officer).

The combination of circular economy and creation of jobs is very important to the European Commission as explained in the paper ***Greening the economy and defining green jobs***. Related to the theme is an important study of ***Jens Horbach (Augsburg): Circular economy and employment***.

The ILO has provided definitions of green jobs used in the employment and environment policy context.

In this meeting in Eindhoven we want to go deeper into the development of circular economy and the chances it provides. We will focus especially on the opportunities for creating new jobs and also jobs for those who have a distance to the labour market. We will exchange developments from each other's organisations and countries and find new initiatives.

On the first day Fons Claessen of *Fontys Centre of Expertise Circular Transition* will give us an insight in chances for circular economy and also the conditions for it. He will also link circular economy to chances for employment.

The second day begins with a visit to *Het Beginstation* in Helmond, a fine example of an enterprise in which circular economy creates jobs. Then Kris Bachus of *HIVA Leuven* will go deeper into the impact on employment. Afterwards we will share each other's experiences and best practices in the represented European countries.

In the third day we will come to the conclusions of this meeting and the ideas we should bring back to our own organisations and countries and up to the European level. We will make arrangements for continuation and further contacts.

IV. Developments in economic models, industrial relations and chances for integration into the labour market

by Fons Claessen, Program Manager Fontys Centre of Expertise Circular Transition in Eindhoven, NL

1. Definitions

Today's definition of economy is the manner of production, distribution and consumption of scarce goods and services in a society.

We need to rethink our economy again because of the population growth, the shortage of raw materials, the need for climate neutrality, the waste disposal problem, the biodiversity loss and the need for a future proof society and economy (see also Herman van Rompuy: Market economy is corrected by social cohesion and ecological developments).

This means rethinking our economic principles: from linear economy to recycling economy and to circular economy. What a circular economy is, has been clearly demonstrated by Kate Raworth (<https://youtu.be/dJ8Dln2vEVO>).

2. Principles for circular economy

The practical principles for circular business are:

- At first preservation of value, maximalized by considering re-use of products, and then re-use of parts and at last re-use of raw materials.
- Design and manufacturing of products in such a way that, in the end of the users' phase, they are easy to dismantle and the material lines can be easily separated.
- During the production process, the use and handling of products with no emission of harmful materials.
- The parts and raw materials of consumers' products (like a lamp) are being re-used without loss of quality (a new lamp or a new laptop).
- The raw materials of consumption products (tooth paste) are biologically dismantable and are (after withdrawing of valuable materials) given back to nature.
- Producers remain owner of consumption products, customers pay for the use of them, not for possession. Either the producer buys the product again (e.g. deposit money).
- As the results of the product determine the value, delivering the right quality is extremely important

to the producer.

-One of the most important success-indicators is (cross-sectoral) supply chain co-operation: focus on creating multiple added value.

The conclusion must be that we need an economic model that is considering people, planet, prosperity, partnership and peace. The world is now only 8.6% circular. The goal is 100% by 2050. We definitely have a gap.

3.How to reach circular economy?

To overcome the gap, change is needed at 3 levels:

3.1.Micro level: the individual enterprises. Integrated reporting models are already developed.

-Innovation: entrepreneurship means innovating; stagnation means decline.

-Future proof: solutions for raw materials and energy in the nearby future.

-A better image: to be able to prove.

-New business cases: circular economy as a form of economic growth and more business.

-Multiple value creation: value for society and planet.

-Engagement: in multiple creation of value, new models of sense and inspiration can develop for entrepreneurs, like social enterprise.

Individual companies have to deal with possible obstructions:

-Finding the way to design the products in a circular way.

-The requirement of pre-investments en costs of research and development.

-How to engage the supply chain in the right direction.

-The fact that (semi-)governmental services still have few circular tenders.

-The effects of legislation, waste disposal rules and tax regimes.

-The availability of qualified personnel.

-The proces of convincing personnel in the transition.

-The costs of wages in case of reshoring of production.

-Consumer behaviour and marketing strategy.

New ideas must come from the companies, bottom up, but must be supported by government rules at the European level (top down). Big companies are asking for the rules in order to get a level playing field. We also must have attention for the small and medium-sized companies which can provide a lot of new employment.

3.2.Meso level: clusters, networks and ecosystems. Here we need circular business models and value systems.

Circular ecosystems may help to overcome problems of individual companies:

-It offers chances for new alliances in the supply chain and in networks.

-New business and profits can arise in alliances between organisations (co-operation and networks).

-The use of open source development in analogy with IT-revolution. Let others know what you have found out. Share your knowledge.

-Opportunities for sharing services: personnel, buildings, equipment, know how, ideas, networks, culture.

-Organizing circular business becomes a new sector.

-The use of platforms for experiments, knowledge sharing, exchange and multiple value creation.

-Circular ecosystems will create safe havens for circular economy with room for experiments, risk reduction and will provide larger influence.

3.3.Macro level: the mode of production. Different visions can be used like the Doughnut Economy (Kate Raworth: people, planet, prosperity, partnership, peace).

But also legislation is required:

-Regulation of governments is necessary to set a new level playing field.

Circular economy is a principle, not a full system. If you want to integrate it into social market economy, you will have to make rules to create a level playing field. This means a European approach.

-We have to accept risks of stranded assets in certain sectors (fossil industry, production for obsolescence).

-We have to redefine “profit” and “value” and have another set of cultural values and behaviour supported by the economic system.

-We must change from capitalism to valualism in creating societal, ecological, aesthetic values instead of creating money as highest economic goal.

-This means a new playing field, new rules, new work forms and new institutes.

- Most of all we need a set of indicators.

3.4. Self check

A self check of your organisation regarding the three described levels can be used:

You can check for yourself where your company or organisation stands:

-Is your company future proof? **Trend watching.**

-Is your company part of the problem or part of the solution? **Creating impact on micro level.**

-Are you a change maker? **Innovation on meso level.**

-Are you a game changer? **Transition on macro level.**

4. The effects of circular economy on the labour market

Reports by Dutch organisations:

-TNO (Research Center) indicated in 2013 that circular economy provided for 54.000 new jobs in the Netherlands and a total turnover of 7,3 billion.

-Rabobank showed that circular economy provided 80.000 new jobs in 2015.

-In 2019 the Social Economic Council (SER) concluded a major shortage on technical labour force for implementing energy transition.

-We might say that today (2020) about 10% of the world's economy is circular.

-Mc Kinsey has predicted that circular economy will have a value of 15% of the world economy by 2030.

-The Netherlands should be able to have a 100% circular economy in 2050 and 50% in 2030.

Trends and statements:

-Circular economy is hesitating to take off.

-Reshoring creates chances for new employment in Europe.

-We do need more qualified people.

-Jobs will change, we must be aware of it in our education and permanent education.

-There are new job opportunities in repair and refurbishment (manual labour) and organizing new business in all forms (service economy).

-The strong interdependency of circular economy with the Fourth Industrial Revolution (automation), makes predictions difficult.

-Circular economy is a precondition for further economic growth and welfare.

5. Conclusions

-The switch to a circular economy is a precondition for further economic growth and societal welfare.

-The circular economy transition interacts closely with other transitions which together create a system- or paradigm shift.

-Circular economy is an important economic principle but not a complete economic system yet.

-Business cases in circular economy are mainly created between organisations.

-Circular economy has to overcome many herds to come to flourish: formation of ecosystems is

essential for the take off of the circular economy, supported by government, legislation and institutions.

-Nature gives us great examples of circular organisation.

-New chances for job creation in Europe can be offered by reshoring.

-Job opportunities can be provided both in manual labour as in service economy.

-Perhaps we should come to a new definition of economy:

“The way we attribute (multiple) value to the products/resources that nature provides and the way we redistribute them”.

-Circular economy is a principle, not a full system. If you want to integrate it into social market economy, you will have to make rules to create a level playing field. This means a European approach.

Friday January 31 2020

V.Excursion to *Het Beginstation Helmond*

A company that combines circular economy with creating jobs and job chances

We are welcomed by Serge Kornuyt, Elianne van Asseldonk and Jordy van Vijeiken.

1.Het Beginstation, the philosophy

Het Beginstation (Station for starters) has started at the railway station in Helmond, NL. Eindhoven and Helmond are key centers in innovation.

Serge Kornuyt is a member of the Young Employers and has a strong conviction and belief in circular economy. In his view a clean economy without too much waste products must be possible. **But in our more and more complex society not only materials are being wasted but we also see a waste of human talent.** That’s why Serge Kornuyt has started his company with students and people with a distance to the labour market. He employs a broad spectre: handicapped, autists, refugees, ex-drugaddicts and people recovering from a burn out.

2. Procedure and activities

The employees get a contract of usually six months. In that period they are not only educated in professional skills but also in social skills and working structure. The employee designs his or her own development program and is also responsible for the progress. Off course coaching is provided. After six months, or longer if needed, Serge will find a regular position in a company, organisation or institution.

The main activities of *Het Beginstation* are all aimed at making circular economy accessible. This is done by finding ICT-solutions and design of products from the principle *Take, Make, Waste*. There are also printing techniques, recycling activities and gaining materials. There is a profitable bicycle repairshop.

The constant influx of new workers leads to new ideas all the time and creativity. The new ideas in design and products are shared on internet in an open source approach.

The atmosphere in the *Beginstation* is based on the principles of *Happiness at Work*.

3.Contacts

In order to help his workers and to help them to a regular work job, Serge Kornuyt and his staff have to make a variety of contacts with official organisations, like the Unemployment Agency, Welfare, the City Council, the City Learning Company, the Employers’ organisations and schools for professional education.

There is a good investment in visibility on social media. *The Beginstation* has received a national *Award for Diversity*. Marketing is not only an instrument for selling the own products and services but also a service on it’s own.

4. Future prospects and the role of stakeholders

The future is strongly dependent from the support of the stakeholders and authorities.

The government institutions must realize that they can spare a lot of money, like social benefits, transition costs and social-medical costs, if they help the *Beginstation* in giving the target groups a position, helping them, coaching them and replacing them in a regular job. Employers can help the *Beginstation* by taking up people as an employee and co-operate in innovation of products.

Trade Unions can play an important role in the awareness of workers that innovation and creative thinking is very important for your personal development and adaptation to keep the job. In circular economy we need skilled workers who can adapt themselves to new circumstances.

Schools for professional education can deliver students to the *Beginstation* but are also very useful in exchanging ideas. A good example is the co-operation with the *Fontys Hogescholen* and the *Centre of Expertise Circular Economy*.

Civilians can also help in buying the articles of *The Beginstation* and expressing new demands which will lead to new ideas from the workers of *Beginstation*.

5. Multiplication effect

The Beginstation is now on the edge of a balance in the economic and social side of the organisation. In the near future it will be profitable and financially independent.

Good public relations that will show the good results will have a multiplication effect so that every city can start a *Beginstation*.

VI. Employment impact on the transition to a circular economy in Flanders

by Dr. Kris Bachus *Higher Institute For Labour (HIVA) Leuven University*

1. Publications:

HIVA has recently contributed to two important studies on circular economy and employment:

-Modelling job creation in the circular economy in Flanders

(<https://ce-center.vlaanderen-circular.be/en>) and

-Sectorstudy Circular Economy

(https://hiva.kuleuven.be/nl/onderzoek/thema/klimaatendo/p/projecten/jobimpact_van_de_circulaire_economie)

2. General Trends

The transition to a circular economy will have social impacts including on employment.

We see a shift from extraction and manufacturing to re-use, repair, recycling, remanufacturing and refurbishment. Those developments lead to more intensive labour.

We also see a trend from goods to services, tailoring and short supply chains. This means more local activities with chances for local employment.

In the new activities you can distinguish different levels of skills:

Activity	Low-skilled	Medium-skilled	High-skilled	Job concentration
Upcycling	****	****	*	***
Downcycling	****	**	*	**
Service economy	***	***	***	***

Remanufacturing	**	****	**	****
Re-use	****	**	*	*
Biorefining	**	****	****	***

The conclusion must be that there are chances for both low-skilled as high-skilled workers but more for **low-skilled workers**.

3.Chances and threats

The rise in employment in circular economy in Flanders has risen from 2,7% in 2010 to 6,4% in 2016. The rise will continue. Based on the employment potential for the metal-electro sector 30.578 additional circular jobs could be created by 2030 in Flanders.

There are many chances in the sectors repair, waste management and remediation activities, restoration of buildings, retail sale of second hand goods and in rental and leasing of consumer goods.

Up to now we have seen a close relation between regular economy and social economy with regard to chances for education and employment. Now we have an extra dimension with circular economy which leads to a new combination of meaningful economy.

Opportunities for social economy are:

- local activities for circular economy (see *Het Beginstation in Helmond, NL*).
- artisanal, repetitive, manual processes aimed at closing the loop.
- solar panel recycling, selective demolition, textile sorting, plastics sorting.

To be successful in these activities you need to have a business plan and a market strategy.

It can be useful to seek collaboration with regular companies.

There will be more and more rules for the design of packaging to create a better circulation.

This offers possibilities for forward and reverse logistics, deposit-refund systems, service economy, repair and maintenance.

Repair can be considered as:

- * a separate business model
- * part of products as a service
- * linked to re-use activities
- * a complement to the informal economy

Potential threats:

- social economy business models
- skills requirements, incl. strategic skills
- quality of labour conditions, e.g. platform economy (low wages, flexible work)

Circular economy can have an impact on vulnerable people.

There also will be circular jobs that are only temporary.

4.Conclusions:

- The transition to a circular economy in Flanders is creating jobs and will be a net creator of jobs (30.000).
- Many of those jobs will be fit for low-skilled employees.
- Many new, circular activities offer opportunities for vulnerable people and social economy.
- Social economy needs to claim its position pro-actively in the circular economy.

Saturday February 1 2020

VII.Experiences with circular economy and job creation in the European countries

Lithuania (Danguolė Bogusevičienė)

The Northtown Technology Park provides investments and innovation and contributes to job creation. Three waste recycling companies have been founded. One municipal waste disposal site provides energy. The use of circular waste material is increasing.

In these companies there are good employment chances for disabled people.

In Lithuania there are 6.699 disabled people working in social enterprises and 47.206 in the open labour market. There is a government program for the years 2016-2020 that is promoting and facilitating employment for the disabled.

There is a general feeling that we must fight excessive consumption in every day business life in coherence with the EU 2020 strategy. A new job is created as office eco consultant.

The target group consists of public employment services, NGO's, adult education and private learning. Training modules are made. Information can be found at <https://ecooffice.eu>

In this Erasmus project Lithuania works together with Hungary, France, Poland and Germany.

Slovakia (Ester Kramarova and Alexandra Golova)

The amount of people that live from a disability pension is 234.346. This number is increasing. 70% of the disabled are excluded from the labour market. It is now realized that we must offer more jobs that are suitable for handicapped workers also in circular economy. A fine example is the Wellned initiative for sheltered workshops that exploits beauty parlours and hairdressers' shops. Regional companies distribute coupons to the workers so that they can visit the Wellned workshops.

There is a special counselling board for employers to stimulate them to start sheltered workshops.

Slovakia has an *Institute for Circular Economy* which sets up projects. Companies are stimulated to work together in circular chains. There are good examples in the food and building sectors.

Tenenet works together with *Beweging.net* in Belgium in a project for circular economy and employment.

Hungary (Pal Csonka)

There are small-scale social projects in circular economy in Pécs.

For the Roma is an *Interreg Project* for Human Resources in partnership with Romania, Bulgaria, Slovakia and Serbia. Young people in segregation will leave school too early. As they have no secondary school experience, no qualifications and no working experience they are excluded from the labour market. Together with personal and domestic experiences this will lead to a low self esteem. This group also has to face discrimination.

The *Eight Beatitudes Foundation* has a pilot on the development of working- and learning skills. Extensive manual working practice is combined with low level skills. There is a holistic approach including social and community aspects. The intake consists of a competency test and an interview. The participants can develop themselves as a carpenter, bricklayer or upholsterer and are coached by a tutor-master. The training also includes circular elements.

Poland (Jozef Mozolewski)

There is a great interest in Poland for circular economy. An example is a concept for disposal of municipal waste, in which Poland manages to re-use 40%.

In 2016 the government developed a road map for transition to circular economy.

A lot of employers already show engagement.

Distribution Trading Centers are subsidized in regaining of packaging. This is also done in co-operation with the farming sector.

There is an important role for the local governments. There are municipal projects to replace heating systems in order to prevent smog.

A serious problem is dangerous waste that is being imported. ***There should be more regulations with punishment measures for those who are engaged in malpractices. This should be done at the EU-level.***

The trade unions are convinced that circular economy can play an important role in creating jobs. Tax systems can also stimulate circular economy. We should also stimulate awareness in the country and among the citizens by good publicity and explaining best practices.

VIII. Preparation of the European seminar

It's very important to discuss Platform Economy in a next seminar.

As we are all members of workers' organisations we must produce speakers that are experts and can find solutions to the problem. Eza is a multi-disciplined platform with so many different and representative organisations.

We have not been able to discuss all aspects of circular economy and job-creation.

This meeting was a first introduction. We had two good lecturers who gave a thorough insight in the practice of circular economy, the role of enterprises and the role of workers, we had an important excursion at *Het Beginstation* in which we saw a perfect combination of circular economy with the creation of jobs for those who have a distance to the labour market. And we ended with good examples of projects in the represented countries and organisations.

In the next seminar we should work out the situation for the workers. We should go in on the question if circular economy is really restricted to low-skilled workers. We must also make a sharper analysis of what is changing for the workers and find ways to shorten the distance to the labour market. We will need the input of employers, trade unions and workers' organisations.

In the meantime our organisations must work together in platforms. Pal Csonka (Hungary) will work together with *Het Beginstation* in the Netherlands.

We will also look into European programmes and programmes of the European Investment Bank to provide technical resources for start ups and business plans.

Part of our homework is to ask ourselves and our organisations what we really need in our lives. Do we need everything that we have? If we think what we can do in our own lives and in our organisations, we can better cope with problems of waste production and circular solutions and think in the meantime about job opportunities.

IX. Evaluation of the seminar

The introduction by Fons Claessen had given us a good basis and knowledge level for the excursion to *Het Beginstation* and the discussion on chances for employment on the second day of this meeting.

We have seen a very fine example of a pioneer and front-runner in circular economy that combines the principles of sustainability with providing employment to men and women with a distance to the labour market. Circular economy is not only restricted to recycling of products but also aimed at preventing the waste of human talent, recycle the talents and providing the men and women job opportunities.

This example is discussed and extended with new examples in the exchange of experiences with the represented countries.

The introduction of Kris Bachus enabled us to have a good insight in the job opportunities of circular economy. We learned that mostly low skilled workers can benefit from circular economy. We discussed how to cope with this problem in a future seminar.

The participants conclude that it was a very useful seminar and they thank the organizers for their efforts and thank EZA and the European Union for their support.