De Kringwinkel: A symbiosis between jobs for the long term unemployed and waste reduction?

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1 The initiative and its organizers

1.1 Combining social and ecological objectives

‘Kringloop’ is Dutch for cycle or circle of life. The sector of Kringwinkel centres consists of autonomous social economy firms that promote and facilitate the reuse of old materials. In general, the kringloop initiatives combine three goals: (1) waste reduction and sustainable use of materials; (2) jobs and learning experiences for long-term unemployed and (3) providing quality materials at low prices. The basic idea of Kringwinkel centres is to collect and (if necessary) repair donated goods in order to sell them as second hand products. People can bring their goods or the organization picks them up without charge. The wide variety of collected goods, ranging from tables to clothes, toys and electronics are sorted, controlled and, if necessary, repaired in the Kringwinkel centres. Then they are sold in the Kringwinkel stores at low prices.

The majority of the people working in Kringwinkel have been long-term unemployed. Most of them have been unemployed for at least five years and are low skilled. In many regards these centres fit with what Defourny and Nyssens (2010) call a ‘work integration social enterprise’ (WISE). They define WISEs as follows: “The main objective of work integration social enterprises is to help low-qualified unemployed people who are at risk of permanent exclusion from the labour market. WISEs integrate these people into work and society through a productive activity” (Ibid. 236). This applies to Kringwinkel centres while supporting low-qualified unemployed people is certainly one of the key objectives, is arguable not (always) the main objective given the importance of the environmental mission and increasingly also the objective to be a profitable business (De Kringwinkel Antwerpen, 2013).

All different kringloop centres are “environmental entrepreneurs in the social economy” (www.komosie.be) focused on reuse. They share principles, methods and a corporate identity, but beyond that there are significant differences between them. Every Kringwinkel centre emerged in a distinctive local context, with a specific configuration of actors, needs and opportunities. Hence autonomous Kringwinkel centres attribute a different weight to the three main objectives. The focus of this report is both the entire Flemish Kringwinkel sector as well as one particular Kringwinkel centre, namely De Kringwinkel Antwerpen in the Flemish city of Antwerp. De Kringwinkel Antwerpen is recognized in the sector as one of the leading innovators (I: KOMOSIE representative).

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1 This report is based on document analysis, in-depth interviews and a focus group with 10 participants. More information about methods used can be found in Kazepov et al., 2014 (accessible via http://improve-research.eu/). When information is drawn directly from one of the interviews, or when one of the interviewees is quoted it will be referred to as (I: Alias of the respondent). The respondents allowed the researchers to use an alias that discloses their affiliation to the organisation. When information or quotes are drawn from the focus group discussion this is referred to as (focus group). Appendix B provides an overview of all interviewees and focus group participants. The researchers want to express their gratitude to the respondents of the interviews and the participants to the focus group for sharing their insights and information with us. The authors remain solely responsible for the content of this report.

2 In this document ‘kringloop’ is used to refer to the activity, while ‘Kringwinkel’ is the brand that is adopted by most Flemish organisations engaging in ‘kringloop’ activities.
1.2 The Kringwinkel in numbers

The Flemish *kringloop* sector emerged in the early 1990s. Today it counts 31 centres and 118 stores. In 2012, this continuously growing sector employed 5,214 persons – which equals 3,837 Full-time Employed Equivalents. About 80% of these are long-term unemployed. In 2011, 71% of the total employees had only enjoyed lower secondary education or less and 38% even only had primary education (Appendix A IV). The sector also provides activities and labour experience to volunteers, including people in social activation trajectories, and to employees paid by external employers like the local welfare centres (OCMW). Figure 1 shows the evolution in the number of employees and full time employed equivalents between 1995 and 2012.

**Fig. 1: Employment in persons (white) and full-time employed equivalents (Gray). Evolution 1995-2012**

In 2012 the Flemish Kringwinkel sector collected 61,451 tons of disposed materials. This resulted in an environmental gain of 62,264 tons of CO2\(^3\). In 2012, the average inhabitant of Flanders reused 4.32 kilograms of goods through Kringwinkel activities. The Flemish government, through the Public Flemish Waste Agency OVAM (Openbare Vlaamse Afvalstoffenmaatschappij), has set the goal to reach five kilogram per inhabitant in 2015 (OVAM, 2013). Figure 2 shows the evolution of the number of kilograms reused per Flemish inhabitant between 1994 and 2012.

**Fig. 2: Evolution of reuse per inhabitant 1994-2012**

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\(^3\) This equals the environmental cost for heating 25,963 families for a year. TNO ([www.tno.nl](http://www.tno.nl)) developed an instrument for this CO2 calculation in cooperation with BKN Nederland.
In 2012 the 118 stores together had 4.4 million customers. The average customer bought 8.3 Euros in goods and took home 6.2 kilograms ([www.dekringwinkel.be](http://www.dekringwinkel.be)).

### 1.3 De Kringwinkel Antwerpen

*De Kringwinkel Antwerpen* is a non-profit organisation (NPO) like the vast majority of Kringwinkel centres. The Kringwinkel centre picks up goods and sells them in the city-region of Antwerp⁴, which is the second largest city of Belgium and the largest in Flanders. *De Kringwinkel Antwerpen* consists of 6 stores and a main depot with offices located in the district of Merksem. The organization employs more than 270 people. It is one of the biggest Flemish Kringwinkel centres and according to the sectors’ representatives it has for a long time been one of the pioneers for the implementation of innovations in the sector, ranging from quality control, to management techniques and labour market reintegration trajectories. The organization presents itself as a ‘learning organisation’ (I: Kringwinkel A. director). One of their most recent innovations has been the implementation of Lean Agility methods (Chalmet, 2013).

*De Kringwinkel Antwerpen* came into existence in 1991 as an employment project within the organization Vitamine W. Vitamine W (now Levanto) was a social integration initiative with a strong social economy component. It that started within the community development organization RISO Antwerpen (now Samenlevingsopbouw Antwerpen). *De Kringwinkel Antwerpen* became an autonomous organization in the early 2000s. “Because it was a fairly specific department with its own logic. It was no longer possible to manage it within the larger structure” (I: Member of the governing board of Kringwinkel A)

Although the organisation shows itself very aware of the social and economic vulnerability of its employees and is concerned with their well-being and advancement in life, it does not regard itself as an anti-poverty organization. “For some it is a goal. For us, poverty reduction is an effect”, says the director of *De Kringwinkel Antwerpen* (interview).

### 1.4 The multiscalar organisation of Kringwinkel: the role of umbrella organizations

On the supra-local level individual Kringwinkel centres are represented by two umbrella organisations: KOMOSIE and SST. KOMOSIE, the Flemish umbrella organisation for environmental entrepreneurs in the social economy, grew out of the former umbrella organisation KVK (Koepel van Vlaamse Kringloopcentra – Umbrella for Flemish *kringloop* centres) that was established in 1994. As the KVK widened its scope of activities beyond *kringloop* Centres to other social economy projects concerned with the environment it decided to change its name to KOMOSIE vzw in 2008. KOMOSIE is a service providing umbrella organisation that mainly focusses on the environmental objectives and the relations with government organisations like the Public Flemish Waste Agency OVAM. OVAM anchors

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⁴ The area of operations consists of the following municipalities: Antwerpen, Borsbeek, Schoten, Wijnegem, Wommelgem, Kapellen, Stabroek and Brasschaat. Each Kringwinkel centre has its own delineated area. These areas do not overlap.
the initiative in Flemish and local waste reduction policies. KOMOSIE also played an important role in the adoption of the brand name De Kringwinkel and is a driving force behind processes of professionalization and innovation in the sector. It facilitates learning processes and exchange between Kringwinkel centres.

KVKV (now KOMOSIE) pioneered policy advocacy on reuse, waste reduction and social employment at the European level. It is a founding member of Reuse, an umbrella organization for national and regional networks of organizations that combine environmental goals and social employment. One of their important achievements, and the main reason why the umbrella was founded, was to integrate references to reuse in the European WEEE directive\(^5\). KOMOSIE and De Kringwinkel are recognized as leading examples of social and environmental entrepreneurship in Europe\(^6\). Entrepreneurs from all across Europe have shown interest and have visited Flanders to learn more about the model.

Under the ‘De Kringwinkel’ brand there is a clear division of responsibility between the umbrella organizations on the one hand, which take on the communication and negotiations (for instance on large contracts or reuse objectives) with bigger partners on the supra local level such as the company IKEA and the government organizations like OVAM, and on the other hand the individual Kringwinkel, which is relatively autonomous in its operation on the local level (I: Representative KOMOSIE).

The second umbrella organisation SST (Samenwerkingsverband Sociale Tewerkstelling – Partnership Social Employment) represents all Social Workplaces\(^7\). Social Workplaces emerged as innovative, local projects that offered a supportive and protective jobs for long term unemployed from the 1980s onwards. The SST was established in 1988 to bundle and coordinate these experiences into a proposal for a decree that would regulate and finance these practices structurally. The statute was created officially in 1998 by the Flemish decree for Social Workplaces\(^8\). Today Social Workplace (henceforth SW) is the juridical statute for subsidized employment adopted by the vast majority of Kringwinkel centres. One third of all recognized SWs in Flanders is a Kringwinkel centre and about two thirds of the people employed in SWs are employed by Kringwinkel centres (www.werk.be). SST hence focusses on issues of subsidized employment.

In practice there is some overlap between the concerns of the two umbrella organisations\(^9\). Also, some of the people who are actively involved in SST are also involved with KOMOSIE and vice versa.


\(^6\) Komosie was described as ‘Europe’s largest social franchise’ in a case study report of the European Social Franchising Network supported by the European Commission. Online: http://www.socialfranchising.coop/uploaded/KOMOSIE.pdf

\(^7\) The official website of the Social Economy in Belgium describes a Social Workplace as “an important subdivision of the social economy, that employs more than 8,800 people. The social dimension of the enterprise prevails above the economic goals. In other words, employment of target groups is the goal, the economic setting is the mean. Social Workplaces creates tailored employment which they make possible with very intensive support on the job floor. Doing so the employees do not only find a job and income, but also self-confidence and a feeling of self-respect. Social workplaces motivate people and give them a place in society (http://socialeeconomie.be/socialewerkplaatsen, authors’ translation).

\(^8\) http://www.sst.be/samen/over_ons/historiek.asp

\(^9\) For instance, OVAM wrote several follow-up reports of the sector which also document subsidized employment, which is not their focus. However, OVAM has announced they will narrow their focus in the future.
2 Basic information on the (local) context and the emerging problems

This paragraph provides background information about unemployment and activation policies, which are important context variables to understand the Kringwinkel as a social innovation. The first section focuses on numbers of (long-term) unemployment and risks for unemployment and poverty in Belgium, Flanders and Antwerp. The second section provides some information on the shift in social policy related to the unemployed since the late 1990s. The third section sheds some light on distinct features of the social economy in Belgium.

2.1 Long term unemployment and poverty risks in Belgium, Flanders and Antwerp

In 2013 8.4% of the active population is unemployed in Belgium. There are large differences between the Belgian regions: Flanders 5.1%, Wallonia 11.4% and Brussels 19.3%\(^{10}\). Within Flanders unemployment rates are generally much higher in cities than in rural areas.

In 2012 44.7% of the unemployed in Belgium were long term unemployed (more than a year), which is close to the EU27 level of 44.6% in the same year and significantly higher than most neighbouring countries except for Germany. This percentage is however a considerable reduction compared to 1990 when 55.9% of the unemployed had been so for more than one year\(^{12}\). In 2012 this share is 32.7% in Flanders (Coene, 2013)\(^{13}\), 49.4% in Wallonia and 55.8% in the Brussels Capital Region.

Antwerp, Flanders’ biggest city, has one of the highest unemployment rates in Flanders. Based on the calculation of the VDAB (Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding – Flemish Service for Labour Market Mediation and Professional Training) the share of the total labour force that has the status of ‘searching for work’ (which is used as a synonymous for the unemployed who are able to work) is 16.63% for Antwerp in February 2014, compared to 7.98% for Flanders. That same month in Antwerp about 53% of the unemployed population has been unemployed for less than a year, which means that the share of people unemployed for more than a year (47%) is higher than on the national level. About 28% has been unemployed for more than 2 years (www.arvastat.vdab.be). In general the groups with the highest risk of unemployment are the non-native born (especially people without a Belgian nationality), people over 50 years of age and increasingly also young people. The latter are also more often temporary employed compared to 10 years ago. Between 1990 and 2012 the youth unemployment rates rose from 14.2% to 19.8% and the share of temporary employed youth rose from 18.3% to 31.4%\(^{14}\). The employment rate of women, traditionally a group with a high

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\(^{10}\) http://bestat.economie.fgov.be

\(^{11}\) It should be noted that the Brussels Capital Region in fact only covers the central area of a much larger city region, which helps to explain its large concentration of unemployed people.


\(^{13}\) The data for Flanders and Wallonia are based on the work of the Policy Research Centre Work and Social Economy and the ADSEI (EAK and LSF-surveys). The Belgian and EU 27 percentages are based on Eurostat data. The data are hence not entirely comparable.

unemployment rate in Belgium, grew from 44.3% in 1990 to 56.8 in 2012, which is still below the EU 27 level (Annex I). Being of foreign descent constitutes the highest risk of unemployment in Belgium. Figure 3 shows the huge difference between unemployment rates of native born and foreign born population, which is the second biggest in Europe after Finland.

Figure 3: Unemployment rate of native-born versus foreign-born population (15-64 years), 2006

Source: Eurostat European Labour Force Survey in Hemerijck, 2013: 256

2.2 The shift towards the ‘Active Welfare State’ and social investment strategies.

As in other corporatist, Bismarckian welfare states, Belgium made its fundamental reorientation towards and ‘Active Welfare State’ in the late 1990s, promoted by the two governments led by Guy Verhofststadt from 1999 to 2003 and from 2003 to 2007 (Vandenbroucke, 2012; Hemerijck, 2013). The notion of the ‘Active Welfare State’ was inspired by a vast body of literature that grew throughout the 1990s about the need for a new welfare state (Esping-Andersen et al., 2002; Vandenbroucke, 2012). One of the well documented key strategies of this Active Welfare State, relevant for our case, has been the development of active labour market policies. According to Vandenbroucke (2012) the 2003 Employment Conference under Verhofststadt II was a key moment as it “put an end to 15 years of institutional schizophrenia in employment policies. With the decentralization of training and job placement policy in the 1980s, the responsibilities for job training and activation of the unemployed on the one hand and for controlling their availability to the labour market on the other hand had been decoupled. Now they were to be reconnected under an inter-institutional cooperation agreement” (Ibid.: 28).

15 Given the scope of this report we focus here on the context in which the current activation strategies emerged. However, it must be noted that the active labour market policies, generally associated with activating the supply side of the labour market by capacitating and/or penalizing measures that purportedly provide incentives to work, are not the only policy reforms related to employment under the banner of an ‘Active Welfare State’. Lowering taxes on earned income or lowering personal social security contributions for lower wages have also been used as a strategy to promote employment in Belgium (see Vandenbroucke, 2012 for a discussion on the Active Welfare State in Belgium).
Research has shown that the nature of these active labour market policy reforms in different countries has been contingent on national welfare traditions (Bonoli, 2009). Nonetheless, “the European Employment Strategy plays an important role in the development and follow-up of active labour market policies” (Bogaerts et al., 2010: 1). Important milestones in this regard are the treaty of Amsterdam (1997) and the European Council in Lisbon (2000). The follow-up, guidance, training and/or re-orientation of people that receive income protection benefits became increasingly important in almost all European countries. These evolutions are now promoted under the banner of social investment (European Commission, 2013).

Social investment “is now considered to be the dominant paradigm for appreciating the policy logic of contemporary welfare states” (Cantillon & Van Lancker, 2013: 553). Similar to the ‘Active Welfare State’, it is underpinned by the core idea that policy should no longer focus solely on ‘passive protection’ from the risks of the labour market, but instead should aim to ‘empower’ people through labour market integration (Ibid.). The same body of literature that influenced these policy changes towards an ‘Active Welfare State’, launched the concept of social investment to promote the development of services that invest in the human capital (Esping-Andersen et al., 2002). Doing so the social investment approach distinguishes itself from harsh, sanctioning workfare approaches who have been implemented most in the United States (Peck, 2001).

It is of course well-known that European activation policies do not only aim to invest in the human capital or capabilities of people, it also uses a variety of more controlling and penalizing instruments (Bonoli, 2009) and it is often aligned with strategies to curb public expenditures (Hemerijck, 2013). The shift towards capacitating services as part of a social investment strategy is hence often associated with curbing traditional forms of social protection such as redistribution through cash benefits. In that sense social investment represents a shift in the main goal of social intervention from income maintenance to employment promotion (Jenson & Saint-Martin, 2003). This evolution has been critiqued for putting too much stress on individual responsibility and being less-pro poor and less caring for the most vulnerable groups. Cantillon and Van Lancker (2013: 561) conclude that “Investment cannot be the only rationale for welfare state intervention; protecting people should remain equally high on the policy agenda”.

In percentage of all social expenditures, the expenditures for activation measures rose from 1,09 to 1,59 between 1990 and 2012, which is the highest of all our case study countries. This indicates a clear shift in policy orientation for Belgium over the last decennium. People are entitled to unemployment benefits after working a number of days within a certain number of months depending on age, for instance 312 days within 21 months or 624 days within 42 months for people under 36 years of age. Until recently unemployment benefits were not limited in time and not decreasing over time. Recently, they are made decreasing and there is an overall tendency to become stricter in

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16 The concept of social investment is used in different policy domains such as child services and education. Here we focus on its general rationale.
17 Source: OECD, online, February 2014, http://stats.oecd.org/ (Labour > Labour Market Programmes > Public expenditure and participant stocks on LMP)
18 Austria, Belgium, England, Hungary, Italy, Sweden.
19 [www.rva.be](http://www.rva.be) (Official website of the National office for employment)
20 Unemployment benefits are still not limited in time, but it was an important issue in the debates in the run-up to the national elections in May 2014.
controlling the conditions for receiving unemployment benefits (e.g. efforts made by unemployed to find a job).

Since the law on the right on social integration (RMI) of 26 May 2002, local welfare centres have been much more oriented towards labour market integration of people on social assistance benefits, who are not entitled to unemployment benefits. The most often used policy instrument are article 60§7 trajectories (Appendix A XI). ‘Article 60’ is a form of social service provision often categorized as activation through labour experience. The aim is to reintegrate the person into the social-security system and the labour process. To this end the person needs to work a certain time which makes him/her eligible for unemployment benefits. The OCMW is the juridical employer and provides the job inside or outside its own organisation. Over the last five to ten years this trajectory has been increasingly used to hire new employees in Kringwinkel organisations.

Similar to the long term unemployed, people on social assistance benefits are unevenly spread across the Flemish region. The big regional differences in people entitled to certain trajectories have a big influence on local evolutions in the workforce of Kringwinkel centres.

2.3 The social economy and job creation in Belgium. A shift in avenues for social innovation?

Like in other corporatist countries that faced high unemployment rates and crisis in public finance in the 1980s, entrepreneurial and cooperative/associative dynamics emerged from associations that pioneered in promoting the integration of unemployed through productive activity. In these countries one can spot “second labour market programmes, offering intermediate forms of employment” (Defourny & Nyssens, 2010: 233). These often small scale organizations can be understood as active labour market policies avant la lettre (Defourny, Favreau & Laville, 1998). Their political recognition and support created an impetus for government sponsored job creation for (long-term) unemployed as a way to address social needs and use passive welfare benefits in an active way i.e. using them to subsidize the newly created job. It were predominantly third sector associations that have implemented these policies, starting a new trend of third sector organizations taking on the role of a producer and provider of goods and services. This trend was especially strong in Belgium and France where these entrepreneurial dynamics have been mainly referred to as ‘social economy’ (Defourny & Nyssens, 2010).

In the 1990s juridical statutes for government supported social entrepreneurism like the ‘social workplace’ and ‘company with a social purpose’ were developed to support and regulate these dynamics. These evolutions have created the phenomenon of direct job creation by the state in Belgium. This trend was the strongest in Flanders due to specific statutes and government policies. This activation strategy is rather exceptional in Europe. This created very favourable conditions in the 1990s and 2000s for social entrepreneurs, like those of the kringloop initiatives that sought to develop niche activities with a social or environmental purpose in combination with the activation of long term

21 This law reformed the former system of social assistance. OCMW’s now have three instruments: employment, living wages and individualized trajectories for societal integration. The use of instruments depends on the needs of the client (Bogaerts, 2010).
22 POD Maatschappelijke integratie, online: http://www.mi-is.be/be-nl/ocmw/artikel-60-7
unemployed. However, the latest policy evolutions put these schemes of subsidized jobs under high pressure of European competition policy\(^{23}\) and social investment discourses. From an Active Welfare State and Social Investment perspective stress is put on re-integration or transition into the “real” labour market. Investing in tailored support and training should strengthen long term unemployed and lead to ‘transition results’. According to these policies and policy discourses, permanent subsidized employment for vulnerable groups and/or valuable but non-profitable activities should not be a goal a such and only an option for the ones that really need it\(^{24}\).

Hence, there is a shift away from direct job creation in socially and ecologically useful activities with public money. This potentially threatens the social innovation potential of these initiatives. Two ‘new directions’ can be distinguished. The first is often described as ‘social activation’, with a more caring and protective character for people with a long distance from the labour market. This direction tends to dominate in the Walloon region. The second is a more ‘productivist’ form of activation that pursues emancipation through ‘real’ labour market participation. This tendency which has been described as a ‘making work pay’ logic (Schepers & Nicaise, 2013), is dominant in the Flemish region.

3 Genesis of the initiative

The Flemish reuse sector came into existence in the early 1990s. At that time the Volkshogeschool Elcker-ik (Popular Academy Elcker-ik), located in Antwerp and supported by the Flemish Community government, received subsidies from the Koning Boudewijn Foundation to start up projects that promote sustainability and ecological entrepreneurship. They organised excursions to projects in the Netherlands where kringloop initiatives already existed. In 1991 and 1992 Elcker-ik organized training sessions on how to run a kringloop centre. The focus of the training sessions was on the organisation of reuse activities from an ecological perspective, i.e. giving a second life to used materials. It was a success. Many of the participants were people from local employment projects, looking for new opportunities to employ people with difficulties on the labour market. Others, often personnel from local welfare centres, were concerned with poverty reduction and the emancipation of socially excluded groups. Because of the particular background of the participants in the training sessions, the reuse activities and environmental entrepreneurship got connected to ‘social employment’ and, to a lesser extent, poverty reduction.

From the training sessions and interaction between pioneers emerged the idea to build a platform for deliberation and exchange of information between the new kringloop initiatives (De Mey et al., 2008, p. 111), which evolved into the umbrella KVK. The man who organised the training sessions has been director of KVK for over a decade. One of the main achievements of the umbrella organisation in the start-up period was a reduced VAT-rate (6%) for its members. Early on, this network showed ambition and vision to build a coherent sector of autonomous organizations that would cover the whole Flemish territory. This goal was reached within ten years (I: Former director of KVK).

The sector specialized in this economic niche of reuse which was, contrary to recycling, important from a social and ecological perspective, but not interesting for commercial organizations. Today De Kringwinkel is a strong player in the reuse economy, which gained a lot of popularity over the last

\(^{23}\) VERORDENING (EG) Nr. 800/2008 VAN DE COMMISSIE van 6 augustus 2008
decade. Second-hand stores, vintage stores, E-bay and flea markets are very popular today and representatives of the sector are sure that the Kringwinkel contributed to the expansion of this market in Flanders (I: Former director of KVK; I: KOMOSIE representative). This evolution poses new challenges because of the increased competition for reusable good.

In 2001 and 2002 a big part of the sector decided to group themselves under the brand name and quality label ‘De Kringwinkel’. They adopted a uniform house style and communication towards the customers. This step was crucial to secure the perpetuation of the sector’s growth (KOMOSIE, 2012). Organizations felt that they did not reach potential customers because of confusing communication, the reputation of being ‘a shop for poor people’ and the somewhat dusty stores that looked like storage rooms. The brand name represents a more polished image for a broader clientele and guarantee of quality as well as the shared mission and core values of the sector. Ten years later KOMOSIE calls this the “highway to professionalization” (KOMOSIE, 2011). Today, with the exception of two centres, all kringloop initiatives have adopted this label.

After a decade of professionalization the sector is nowadays oriented towards process and product innovation (KOMOSIE, 2013). This evolution is exemplified, amongst others, by the implementation of Lean Agility methods in De Kringwinkel Antwerpen (Chalmet, 2013).

4 The activities and organization

4.1 Working with target groups and pursuing product and process innovation

The labour process at De Kringwinkel Antwerpen includes a wide range of activities. These activities are directly and indirectly related to the collection, repair and sale of used goods, and increasingly also to product innovation and sales related to the creative reuse of materials, instead of only ‘used goods’ (KOMOSIE, 2013).

The diverse range of activities (picking up furniture, sorting clothes, repairing fridges, decorating stores, etc.) makes it possible to hire a diverse group of people. It also creates possibilities to move employees between units in order to find a good match between employees or supervisors and offers possibilities to diversify the tasks as monotonous jobs tends to frustrate employees, especially highly educated migrants (Van Dessel, 2013). Moving employees between units and activities is a commonly used strategy.

As a social workplace, the organization needs to strike a balance between protecting and supporting their employees on the one hand and generating sufficient income for the organisation on the other hand. The organisation is aware of the fact that their employees often have a history of personal and social problems, which often makes it difficult to demand a high level of productivity from them. What would be regarded as small and sometimes rather trivial problems in other work contexts can be the cause of stress or conflicts here. The team supervisors have the important and difficult task to regulate this on the work floor. They are supported by counsellors who follow up individual employees to assist them in improving their labour experience, reducing their distance to the regular labour market and help them with juridical and budgetary matters.

Another difficult balance to strike has to do with the goal of moving employees on to the regular labour market. This is approached as a matter of “pushing gently” and waiting on and seizing upon good
opportunities on the labour market. There is a possible conflict of interests here because the "stronger" employees are more likely to make the transition to the regular economy, but they are also very valuable for Kringwinkel centres, especially as re-use activities get more complex. Hence, from a company perspective Kringwinkel centres will be reluctant to send the employees in which they invested heavily away after they have made progress (focus group). Nonetheless, the organisation is generally positive towards the idea of stimulating employees to move onto the regular labour market. They are willing to facilitate this transition, but they are rather sceptical about quantitative output criteria.

This scepticism has at least two reasons. Firstly, to come up with reasonable expectations about the percentage of employees that should make the transition to the regular labour market, you need a reliable screening procedure. Such a tool does not yet exist according to the work floor supervisors. They argue that screening (especially at one moment in time) is likely to remain problematic because people of the target population are known to have serious ups and downs and first impression have often proved to be deceptive. Also, it is very difficult to measure the time required to prepare for the transition or self-confidence, which are very important factors for successful labour market transition. Secondly, the Kringwinkel cannot guarantee that the skills workers acquire through re-use related activities will be desired in the regular labour market. Nowadays mostly truck drivers make the transition relatively easy, whereas people who learn to repair fridges or sort fabrics for instance, have more difficulties to find another job. Hence transition results overall are very low (focus group).

As mentioned before, product innovation is an important activity of De Kringwinkel centres, and particularly of De Kringwinkel Antwerpen. Some Kringwinkel centres for example experiment with cutting edge technology like 3D-printers to find new ways to reuse materials. The fact that De Kringwinkel centres work with a specific group of employees requires continuous attention to the degree to which specific tasks and complex processes can be learned and explained to low skilled employees and employees that are not always proficient in Dutch. Both management and employees testify that there has been an evolution in which tasks became increasingly complex. There has hence been a growing need for employees with a strong profile and higher levels of training. At the same time the recent implementation of Lean Agility methods rearranged some of the labour processes and specific tasks in such a way that some tasks are less demanding and easier to learn (focus group).

4.2 A complex mix of resources and relationships

De Kringwinkel fits Defourny and Nyssens’ (2010) characterisation of work integration social enterprises (WISEs). For them, WISEs typically “do not only rely on a mix of “pure” market- and redistribution based resources: they are at the scene of a more complex hybridisation, built upon four types of economic relationships: the market and redistribution, but also “socially motivated sales”, which take into account the social goals of the WISEs i.e. the integration of marginalized people in the enterprise (as in some cases authorities contract out the provision of goods and services), and reciprocity (an example of a reciprocity based resource is volunteering)” (Defourny & Nyssens, 2010: 240).

In this case, market relationships are predominantly found in the stores and in waste reduction tasks, the employment subsidies are a form of redistribution and the donation of used goods can be regarded as a form of reciprocity. Socially motivated sales refer to the image of de Kringwinkel and the
motivations of customers to buy there. According to market research the importance of socially motivated sales should not be overestimated as surveys show that most people buy because of the prices and the chance to find something ‘vintage’, rather than ecological or social motivations (I: representative of KOMOSIE). However, what is decisive here is not the motive of individual buyers, but the interventions of organisations aimed at waste reduction. De Kringwinkel hence offers a less material-intensive way of consuming. To foster practices in this direction is a collective good.

In 2011 the sales and the tonnage fees received from municipalities for the collection of waste generated 53% of the sector’s total income. About 47% of the income came from government subsidies. In relative terms, the income from gifts is marginal. As mentioned above, the Flemish employment subsidies are the most important government subsidies (36% of the total income). The Flemish government also subsidizes the sector through OVAM (about 1% of the total income) and several smaller project subsidies (about 1% of the total income). The Federal subsidies make up 4% of the total income (Appendix A IX). This number is somewhat misleading because people with an article 60§7 statute working in De Kringwinkel (Appendix A XI) are officially employed by the public welfare centres (OCMW) and thus predominantly financed by the federal government. Hence the financial support from the federal level has been more important than indicated by the 4%. Over the last five years, the relative share of each income stream has been rather stable, albeit with minor shifts in subsidies and a steady but slow growth of the share of own incomes (Appendix A IX). Directors are convinced that the sector could not survive financially without employment subsidies (I: KOMOSIE representative). Other subsidies, although limited in size, are also important because they create the necessary extra resources to invest, experiment and innovate (OVAM, 2013).

The business model of De Kringwinkel also depends strongly on the contribution of non-financial resources, namely gifts of reusable materials. In that sense De Kringwinkel facilitates a formalized sphere of reciprocity in order to give a second life to used materials. People are invited to contribute and benefit from this by donating materials or buying goods under the market price. The communication and credibility of the Kringwinkel image is very important to stimulate commitment and interest of potential buyers and donators.

4.3 The different customer-service provider relationships of the Kringwinkel Antwerpen

When asked about the different relationships that De Kringwinkel Antwerpen engages in to fulfil its mission and to develop its activities, the director of De Kringwinkel Antwerpen distinguished several types of ‘customers’ and ways of providing services (I: Kringwinkel A. director).

The providers, i.e. people who donate used goods, are customers and expect a good service: the collection of goods they want to dispose of without charge. Often they are also motivated by the desire to do good for the environment, for people who cannot afford expensive goods or for the long term unemployed or low skilled that are employed in Kringwinkel centres.

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25 From July 2014 onwards, this responsibility will be devolved to the regional governments.
26 The use of the term ‘customers’ reflects how De Kringwinkel centre managers see their organisation and their relationships with other actors in their organizational environment in terms of conventional businesses and market-based relationships.
The customers who buy in the stores, which are sometimes the same people who also donate goods for reuse, expect cheap but good quality goods combined with services like warranty for electronics, home delivery or a pleasant shopping environment.

The subsidized employees come with the expectation to regain control over their life through employment in a supportive environment. They have expectations about (re-)integration in the labour market and broader society. De Kringwinkel is expected to provide an enabling work environment and the necessary support.

The government subsidizes De Kringwinkel to implement their policies for subsidized employment and waste prevention. De Kringwinkel is thus expected to contribute to policy implementation.

The fifth and most recent type of customers are conventional, for-profit businesses. They face the challenges of developing strategic actions around corporate social responsibility, addressing new environmental regulation and working with ‘target groups’ of socio-economically vulnerable people. The Kringwinkel sees opportunities to offer them expertise on these matters.

A sixth type of customer or partner appears because of the inefficient allocation of donated goods for charity. Reciprocal relationships have been established between Kringwinkel Antwerpen and local anti-poverty organizations. The latter receive goods as gifts, but they often do not have any direct use for them, have no space to stock them or miss the required expertise to process them. For example, the organization Mothers for Mothers receives a lot of goods they cannot use immediately to support their target population, so they ask De Kringwinkel Antwerpen to pick them up. If Mothers for Mothers need something specific like a fridge or a large table, they ask De Kringwinkel Antwerpen whether they can provide this in return for the goods they passed on to them earlier.

Some of these relations with ‘customers’ are profitable in financial terms, others are not. Within this complex policy mix it is rather difficult to disentangle social innovations from product and process innovations that are mainly directed at increasing financial income. According to the director of De Kringwinkel Antwerpen, the success of the latter provides the financial capacity that is necessary to scale up and diffuse the socially innovative dimensions of De Kringwinkel model, strengthening its impact and long term sustainability. Being Not-for-Profit Associations (NPA’s), the centres do not pursue profit maximization in order to pay dividends to shareholders, but they do aim at economic growth. De Kringwinkel Antwerpen has set itself the target of 5% profit on their turnover every year. A member of the governing board of De Kringwinkel Antwerpen (interview) stress that centres have to choose which one of the different goals has primacy over the others: waste reduction and sustainable use of materials; jobs, care and learning experiences for the long term unemployed; providing quality materials at low prices; being a profitable ecological enterprise. They are convinced that it is impossible to pursue them all together equally (I: former director of KVK).

5 The innovative dimension of the initiative

De Kringwinkel embodies an innovation in both environmental and social policy, more specifically social employment policy. It is brought about by a creative and productive combination of these objectives and of policy instruments of both fields. Evolutions in these fields, which are largely independent from each other, and changes in the activities and organisational culture of Kringwinkel centres influence how this innovative coupling of objectives and instruments is brought into practice.
Qualitative characteristics of this social innovation differ (although not dramatically) between local contexts and over time.

The innovative dimension of De Kringwinkel experience is analysed using the three basic dimensions of social innovation (Gerometta, Häußermann and Longo 2005; Moulaert et al. 2005a; Oosterlynck et al., 2013): (a) the satisfaction of basic social needs (content dimension); (b) the transformation of social relations (process dimension); (c) the empowerment and socio-political mobilization (linking the process and content dimension). We now discuss the socially innovative nature of De Kringwinkel for each of these three dimensions.

5.1 Content dimension

Kringwinkel centres address at least three distinct social needs: the need for stable employment in a caring and supportive environment for people who experience difficulties on the labour market; the need for affordable quality goods (amongst others for those with a limited budget); the need for a more sustainable use of goods in society. Clearly, these needs correspond with the three main goals of the organisation described above. Different Kringwinkel centres address these social needs through reuse activities, but, as mentioned before, not every centre regards each of these three needs as equally important. Sometimes strategies to tackle these different goals are in conflict with each other and/or with the goal to be a sustainable self-sufficient company.

From the perspective of social innovation against poverty and social exclusion kringloop initiatives can be regarded as alternative, localized practices that on the one hand enable people that are excluded from the labour market to have a paid job and develop their skills in a supportive environment and on the other hand the kringloop practice enables people with a small budget to acquire quality materials (Oosterlynck et al., 2013).

5.2 Process dimension

Kringwinkel centres create a supportive working environment for people who are at ‘a distance of the regular labour market’. The state subsidizes employment and assistance to bridge the gap to paid labour. In Kringwinkel centres the relationship between employee and employer or ‘the company’ is, according to subsidized workers that participated in the focus group, distinct from those in the regular economy because there is “more time to learn, people get more chances to fail or to be absent, there is more individual support and less focus on productivity” (focus group).

The process of getting (back) to work also aims, at least in principle, to reconnect people to the regular labour market in the future. Working (temporary) in a caring environment, learning language and new skills, gaining confidence and ‘the right attitude’ are investment strategies for ‘real’ labour market participation. Kringwinkel representatives who bring this in practice stress that the goal of participation in the regular labour market is not reachable for everybody. Hence a protective labour environment can (should) be regarded as a goal on its own as well, at least for some people.

‘Getting back to work’ also changes long-term unemployed people’s relationship to society at large. It gives them a sense of pride and the feeling that they contribute to society (focus group). However, this positive effect is sometimes undermined by processes of stigmatisation and shame, triggered by the fact that they are employed by a social economy firm.
The Kringwinkel forges and mediates a social relation between people who want to do away with their goods and people who want to buy used goods for low prices. It has institutionalized this relation in a specific business model that competes amongst others with more charitable approaches (people give directly to those in need) and survival strategies (people look for what they can find on the streets).

On the governance level, Kringwinkel centres and KOMOSIE created new and by now strongly institutionalised links between the social economy and the environmental sector through their activities.

### 5.3 Empowerment dimension

Different discourses on empowerment are used by the actors involved in Kringwinkel practices to stress different aspects and desired outcomes of activation trajectories. The main differences revolve around the transition to the regular labour market. Recent policy documents are increasingly stressing this transition as the primary objective – the preferred definition of empowerment for the government. In this regard however, the results of De Kringwinkel Antwerpen are limited both in numbers (about 2 or 3 persons out of 270 employees each year) and in activities (predominantly truck drivers who gained their driving license C via De Kringwinkel Antwerpen). During the focus group, both the employees and managers of De Kringwinkel Antwerpen paid more attention to how people ‘grow’ and ‘feel strengthened’, e.g. by taking up new responsibilities, acquiring new skills and having a sense of belonging. In the focus group, one of the employees clearly said she does not want to leave the organization ever since she felt that in the regular labour market, there would be less understanding for her specific position. Those aspiring to leave do so mainly to improve their wage. In the Kringwinkel wages are close or equal to the legal minimum wage (focus group).

Also relevant from an empowerment perspective is that both management and employees fear that, due to the contemporary discourse and policy stress on transition to the ‘real labour market’, people might believe that Kringwinkel employees are “being pampered”. This concern indicates that there is an important public discourse dimension to the processes of empowerment. Both management and employees deny that employees are being pampered (focus group). The organization tries to take into account the specific situation of the employees, but the latter are clearly expected to work to the best of their abilities and learn. Hence, working in an empowering way is understood as a balance between supporting people where needed and holding them responsible like any other employee as much as possible. In the words of the director of De Kringwinkel Antwerpen: “To support our employees does not mean that we say: you can do whatever, we are happy if you are here and if you repair something from time to time. No! We do look at the quality of your work, at your output. If you need a day to fix two devices that we can sell for 25 euro a piece. Can we be happy with that? Probably not! So then we go and look to find the obstacles. Personal problems? The connection with the supervisor? The activity?” (I: Kringwinkel A. director). In Kringwinkel documents, interviews and focus groups empowerment is always used to refer to a process in which an individual is strengthened trough meaningful activities and supporting services. The Kringwinkel expresses no ambition for collective mobilisation of people that encounter difficulties on the regular labour market in society. De Kringwinkel Antwerpen represents expertise of working with the target population, but they do not act as an organization that aims to represent this group politically (I: Former director of KVK).
6 Institutional mapping and governance relations

6.1 Map of key actors

Source: Own illustration based on the interviews and the focus group.

6.2 Cooperation with local governments in changing policy fields

Kringwinkel centres maintain various relations with partners at the local levels that are important to their operation. Many of them can be regarded as customer-service provider relationships described for the Kringwinkel Antwerp in section 4.3. of this report. It is sensible to distinguish between governance relations concerned with employment on the one hand and with waste reduction on the other.

6.2.1 Employment

For Kringwinkel centres, especially the bigger ones, most communication with the local government and administration has to do with the inflow of long term unemployed via the OCMW. There are also important relations with organizations like VDAB and Vorming Plus, which organize trainings and educational trajectories for employees. According to Kringwinkel Antwerpen the cooperation and communication about individual trajectories of employees is based on a good understanding and a mutual recognition of expertise.

The large majority of Kringwinkel centres is recognized as a ‘social workplace’ (SW). After a period of experimentation this proved to be the most viable employment model for Kringwinkel centres. In contrast with other models like ‘Insertion Companies’ (inschakelingsbedrijf) or ‘company with a social
Emerging as a practice in the early 1980s the SW model grew from social economy entrepreneurial initiatives within the social sector that aimed to tackle the rise in long-term unemployment. After ten years of experimental agreements and searching for structural modes of funding, a search led by the umbrella SST, the Flemish Government approved the Decree on Social Workplaces in 1998. At that time the sector was already growing rapidly, combining older employment statutes for the long term unemployed and project funding. In the following decade subsequent ministries subsidized Social Workplace employment, especially via the GESCO and Sine statutes\(^{28}\) (Appendix A V and A XI). The sector was able to present strong projects and received a lot of these subsidized jobs. For example, of the 364.5 Full-time Employed Equivalents assigned to SW’s in 2006 (Flemish ‘More Jobs plan’), 40% went to Kringwinkel centres (De Mey, 2008).

Despite being a favourable enabling legal framework for Kringwinkel centres, today the model also limits the growth of the sector. As the new subsidized job places were allocated at fixed times on a project basis, this did not correspond well with the continuous growth of the sector. The growth of the sector is strongly driven by the development in the environmental sector and waste reduction policy and increasing donations. When SW subsidies were no longer keeping pace with the development of Kringwinkel centres, a solution for growth was found in the application of article 60 § 7 of the Public Welfare Centres law (OCMW-wet) of July 1976\(^{29}\). As the money for additional subsidized jobs basically stopped after 2008, the majority of the new job positions at Kringwinkel centres was filled with people in article 60 § 7 trajectories. Due to the diversity in backgrounds of the new employees that were recruited via this method, mostly newcomers that are not yet proficient in Dutch, and particularities regarding wages (these newcomers sometimes earn more than people that have been working at Kringwinkel centres for a long time) the growing share of article 60 § 7 employees poses intra-organisational challenges.

\(^{27}\) Both are statutes for regular companies that create opportunities for people “with a long distance to the labour market”. Companies with a social purpose have to make this purpose explicit in their statutes and they cannot pay out profits to shareholders.

\(^{28}\) These statutes are based on the active use of unemployment benefits, meaning that these benefits are used to enable employers to pay the wages and/or the support for target population employees (Nicaise, 2000).

\(^{29}\) The OCMW (local welfare centre) provides jobs for people that have ‘lost connection’ with the labour market. The aim is to reintegrate the person into the social-security framework and the labour process. To this end the person needs to work a certain period from 1 to maximum 2 years, which makes him/her eligible for social benefits. It is understood as a period to build up skills and experience necessary for stable employment. The OCMW is the juridical employer, not the Kringwinkel centre for example, and receives subsidies from the federal government. There is some controversy about article 60 § 7 because in many cases it results in reintegrating people into the benefit system but not into steady employment (POD Maatschappelijke integratie, online: \textit{http://www.mi-is.be/be-nl/ocmw/artikel-60-7}). In 2011 849 Full-time Equivalents were employed by article 60 § 7 in De Kringwinkel –sector (appendix V).
Reintegration of employees in the regular labour market is an option but not a primary objective in Social Workplaces (Rubbrecht et al., 2005). In practice durable steps towards the regular labour market are rather exceptional. The persistence of such a large scale model for subsidized employment without obligations for the reintegration in the regular labour market, i.e. a sector of ‘protected jobs’ (Nyssens et al., 2012), is unique in Europe. Some critique it for hampering the empowerment of the long-term unemployed by not offering enough incentives to make a transition to the regular labour market.

Recently, the Social Workplace model has been put under pressure by regulation on unfair competition. In 2013 the Flemish Parliament approved the ‘Maatwerk Decreet’ (Tailored Work decree) to make its legislation in line with European legislation. Today, the whole field of social economy and activation policies is in uncertainty about the implications of this decree for their operations. In the second half of 2014, the responsibility for the supporting structures for local welfare centres will be transferred from the federal to the regional level. It is unclear what the impact of this decentralisation will be.

The ‘Maatwerk Decreet’ will also profoundly rearrange the existing structures in this field, doing away with the Social Workplace model (see below). Existing differences between social economy and regular firms will be blurred. Subsidies will be decreasing in time and no longer granted based on job places. Instead subsidies will be calculated based on the individual trajectory and its ‘distance to the labour market’. However, as this decree is not yet implemented as the implementation resolution is not yet finished and measuring instruments to determine the distance to the labour market are not yet finalized its concrete impact on the sector and the field of social economy is still uncertain.

Employees and staff of the Kringwinkel have mixed feelings about the Maatwerk Decree and find it difficult to judge as long as the plans for implementation are not ready. They feel it can go both ways. It is a positive thing that people get incentives to work in a regular company, but output criteria for transitions to the ‘regular’ labour market and measurements of ‘distance to the labour market’ are regarded as problematic. The dominant view of maximal transition to the regular labour market within a limited time frame is in conflict with the experience with target employees in Kringwinkel centres. The policy stress on transition to the regular labour market also puts pressure on the Kringwinkel work floor as strong employees are encouraged to leave. All respondents agree that the transition to the regular labour market is the logical and desirable step for some, but not all of the target population employees (focus group).

Despite the uncertainty, the Kringwinkel sector is expected to remain a big player in subsidized employment in Flanders. They have gained broad expertise on this matter which is valued by the Flemish and federal government, local welfare centres and companies concerned with social employment and corporate social responsibility. In order to cope with the policy changes related to employment subsidies and schemes De Kringwinkel Antwerpen uses two strategies. The first is to engage and experiment with these new activation schemes. The Kringwinkel aims to show how their approach and expertise can contribute to enhancing the ‘employability’ of the formerly unemployed and they integrate new forms of supervision and personal case management on the work floor. Simultaneously, they use their position of expertise to communicate the need for extra time and protection for a significant part of the target population. Secondly, the company tries to gather

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30 Regulation no. 800/2008 of the European Commission of 6 August 2008
resources from different funding sources and saves up reserves. One way of doing this is engaging with new activities and pursuing product and process innovation (I: Kringwinkel A. director).

6.2.2 Waste prevention: reuse and new activities

The local relationships between municipalities and Kringwinkel centres are promoted and structured by the regional agency OVAM. For several years OVAM did this via the UMBHA and the environment covenant, which urges municipalities to work together with kringloop centres (OVAM, 2008, p. 20). These documents are valid until 2015 and 2013 respectively. The environment covenant was an important document promoting cooperation between Kringwinkel centres and municipalities at the local level. It made possible that the large majority of Flemish municipalities have an agreement with Kringwinkel centres recognized by OVAM. Such agreements are concerned with cooperation in different projects, referral, sensitization and methods and fees for collection. The environment covenant will not be renewed, which will likely result in a decreasing amount of financial support from the local governments. Despite the possibilities for co-operation, in practice the cooperation with local governments can sometimes be arduous. In some cases Kringwinkel centres find it difficult to renew the arrangements for collection methods (OVAM, 2013). For matters related to waste prevention however, De Kringwinkel Antwerpen has good contacts with the administration, but no direct contact with policy makers.

OVAM, KOMOSIE and local centres search for new ways to maintain and ameliorate the local anchoring of the Kringwinkel centres and –stores. The VLAREMA and the Flemish Material Decree, seem to be the most important instruments to this end. In these new documents Kringwinkel centres are no longer mentioned as privileged partners for local environment policies (as they were in the environmental decree). However, it is very likely that a lot of the local cooperation will continue. Kringwinkel centres are still recognized as a valuable partner by local partners and by OVAM.

The VLAREMA and the Flemish Material Decree reflect the shift in Flemish waste reduction policy to the use of waste as raw materials for new production processes. In this changing context several centres are developing new activities and focus more on product innovation. For that reason OVAM introduced KOMOSIE in the network Plan C, which is concerned with the sustainable use of materials and innovation in the environmental sector (www.plan-c.eu). OVAM and the Flemish government show a lot of ambition to go beyond the European regulations on sustainability and reuse with the new Flemish decree on materials. This decree explicitly pursues sustainability, innovation and a “cycle-economy”. OVAM states that the decree should open up new opportunities for growth and innovation in the Kringwinkel sector (OVAM, 2013,). This trend also influences the profiles and competences that are expected from employees (I: Kringwinkel A. director).

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31 Implementation Plan for Environmentally Responsible Management of Household Waste (Uitvoeringsplan Milieuerverantwoord Beheer van Huishoudelijke Afvalstoffen). This document also sets important criteria for collecting and processing material.


33 KOMOSIE (2013) published a brochure with different innovative products and processes.

34 Interestingly, this platform led to a cooperation between the Kringwinkel of the Beveren area and the new prison in the municipality of Beveren. The Kringwinkel opened a new department for repair and sorting activities in the prison.
Although seemingly distant from daily practice, European policies on environment and waste reduction have a tangible impact on Kringwinkel activities. Reuse succeeded in influencing the WEEE Directive and the Waste Framework Directive. European policy is now using the Ladder of Lansink (Appendix A X), thus recognizing the importance of reuse. The acceptance duty for electronic materials is an important example of European environmental legislation, because it opened up opportunities for De Kringwinkel to develop the label Revisie and to work together with Recupel for the collection, repair and sale of electronics.

The umbrella organisations KOMOSIE and Reuse mediate the relationship between Kringwinkel centres and the European level. The administrative requirements, financial risks and strict regulations of ESF funding are too much of a burden for the individual centres to bear (I: Kringwinkel A. director). In the other direction, the ESF-Agency Flanders had adopted to EFQM quality model as a standard instrument for organizations that want to apply for funding. This quality model was developed by the sector and De Kringwinkel Antwerpen was one of the pioneers.

6.2.3 Local differences

The relation between local governments and centres differs between big and small municipalities. In the latter, Kringwinkel centres are one of the few possible partners and therefore attract a lot of interest from municipal governments. In big cities like Antwerp there are plenty of organizations municipal governments can choose from or they can set up their own initiatives. In cities therefore cooperation with municipal governments tends to be less intensive and exclusive.

For example, in Antwerp the local public welfare centre (OCMW) has its own kringloop initiative called PAX. For this reason De Kringwinkel Antwerpen is one of the few centres that does not offer a discount for OCMW clients in its stores. The Antwerp municipal government has a strong tradition of organizing its own services and social economy initiatives. This results in competition between local councils and social entrepreneurs. The latter criticise local councils for lacking the required expertise and for taking initiative in a field in which it also has the responsibility for regulating and steering initiatives.

The differences in history, size and context amongst the Kringwinkel centres explain their differences in social innovation processes and partnerships at the local level. As mentioned before, Kringwinkel centres emerged from different autonomous local organisations that decided to start up reuse activities with target population employees. These local relations are important resources for socially innovative cooperation and activities.

According to respondents, social innovation dynamics work in both directions: from the firm up and from the umbrella organisations down. The umbrella organisations try to anticipate external changes that may have an effect on the operation of Kringwinkel centres. They also receive questions raised by individual centres. Together with the individual centres they look for solutions that are coming predominantly from the organizations themselves. The umbrella organisation mostly monitors the processes of implementation of these solutions and takes up the task of spreading information about successful practices. KOMOSIE employs someone to “identify streams of innovation” (I: KOMOSIE representative). Ten years ago this person would have been mainly concerned with professionalization.
The umbrella organisations play a crucial role in the successive waves of change and innovation. A wave of innovation starts when a few members see opportunities and feel that things are going too slow. Those members work together, with the support of the umbrella organisation, to create a space to do something new. Allowing innovation at different speeds has proven to be fruitful and necessary for both autonomous centres and the Kringwinkel sector as a whole. All respondents with a coordinating functions stress the importance of being a learning organization and a learning umbrella (Appendix B).

7 Governance challenges

This closing paragraph identifies the governance challenges to social innovation in the Kringwinkel experience. They are described as they emerged from the documents and the field research, using the ImPRovE definition.

7.1 Mainstreaming social innovation

Mainstreaming has been an explicit target of the Kringwinkel sector. Looking at the evolution in the number of stores, employees and tons of reused materials (Appendix A I, II and III) the history of the Kringloop sector is characterized by continuous growth. It evolved from localized initiatives addressing needs for waste reduction, employment and affordable materials to a widely accepted and applied model for organizing reuse of materials and subsidized employment. Most people in Flanders know De Kringwinkel (OVAM, 2013). Also, environmental entrepreneurs from all across Europe have shown interest in the umbrella organisation KOMOSIE and the model of De Kringwinkel.

The process of mainstreaming was driven by a productive coupling of ecological and employment objectives. On the one hand opportunities in ecological activities were mobilized to create jobs for the long term unemployed. On the other hand, employment subsidies, that were granted to finance these jobs, work as a motor of growth for the expansion of ecological activities.

All respondents regard the unity of the sector - through KOMOSIE for the ecological activities and SST for the social workplaces - as one of its biggest strengths and a crucial factor in the process of mainstreaming (see also challenge #2). Early on pioneers of the sector had the ambition to develop a network of kringloop initiatives that would cover the Flemish territory. Because of this vision, there was a strong drive to act strategically at different scales, mainly through the umbrella organisation. This ambition was welcomed and supported by policy makers. OVAM played an important role from early on by anchoring the initiative in its waste reduction policy and by creating interesting opportunities for cooperation between individual centres and the government at the local scale.

In retrospect, the model has at least two other strengths. Firstly, they were able to become an authority in a very specific niche of economic activity – reuse - which is not (yet) profitable for regular companies. Secondly, they can generate more than 50 percent of their income themselves, which strengthens their autonomy and the attractiveness of this social innovation. Few sectors and initiatives in social economy or poverty reduction can generate that much. All respondents seem to agree that the sector benefited from favourable conditions, active subsidiarity and a continuous growth of subsidized labour places (until 2008). Another strength was the early initiated advocacy towards policymakers and public administration (I: Former director of KVK).
The process of growth and mainstreaming has been paralleled by a process of professionalization, which is shown by the development of the EFQM quality model, and of standardisation, which is exemplified by the Revisie label and the adaption of the brand name De Kringwinkel. Both staff and employees agree that expectations for employees are rising. The organization is innovating and changing continuously which demands a lot of flexibility. As a result, supervisors feel they have to be more demanding during screening procedures and therefore certain groups of low educated and long term unemployed people may have less chances to get a job than was the case before (focus group) (see also #5).

The tension between professionalization and social objectives is also illustrated by the fact that the number of volunteers declines. Over the last decade the number of volunteers, often older people looking for meaningful activities and the possibility to find cheap goods, fell strongly due to professionalization and standardisation. On the other hand over the last decade, the (voluntary and professional) involvement of experts coming from the for profit sector is growing in management and advisory boards (I: KOMOSIE representative; I:Member of the governing board of Kringwinkel A.).

An important aspect of the mainstreaming process has been getting rid of the image of being a shop for the poor. Poverty reduction is not seen as a primary goal, but as a valuable side-effect. Representatives of the sector give two reasons for this. The first is that this image does not match with the sector’s ambition for expansion and hence the search for a broader customer base. The second is that their environmental mission, promoting and facilitating reuse, should not be directed solely towards people in poverty. Most Kringwinkel centres moved away from being ‘charming’ local social organizations to professional enterprises, which are in many regards difficult to distinguish from regular companies. To be sure, there is no explicit strategy to make stores unattractive for people with a low income, but this may be a consequence of making them attractive for a broader public. Some poverty organisations signal that several clients in need of affordable materials are no longer going to Kringwinkel centres because they see them as ‘chique’ and expensive. Representatives of the sector acknowledge this to a certain extent but stress that most materials are still sold far below ‘normal’ market prices (interviews). The professionalization and commercialization also undermined the image of being ‘a good cause’, which has led some people to no longer donate goods to Kringwinkel centres (De Kringwinkel Antwerpen, 2013).

7.2 Governing welfare mix: avoiding fragmentation

The Kringwinkel sector avoids fragmentation of policy goals and instruments in at least two ways: firstly by being a well-organised and territorially spread organisation offering jobs for the long term unemployed and secondly by its successful combination of environmental and employment goals and instruments.

From a policy perspective De Kringwinkel is a good partner to provide jobs for the long term unemployed, while avoiding too much of a fragmented landscape of social workplaces. Respondents are convinced that the government has more interest in supporting a sector in comparison to a particular, local initiative because it reduces the complexity of communication and regulation and it holds more promise for an equal spread of the activity across the territory. The fact that they are not only represented by SST but also by KOMOSIE for the activity of reuse gives Kringwinkel centres an
advantage over other social workplaces. The strong cooperation in the Kringwinkel sector is strongly related to the fact that the activity of reuse has proven to have a big growth potential.

The successful coupling of environmental and employment instruments is a strong antidote to a fragmented welfare mix. As a partner in waste and employment policy De Kringwinkel has many partnerships with different organizations. For individual Kringwinkel centres these cooperation and negotiations are mostly project based. In Antwerp, there are sometimes tensions about the division of roles, which are mainly caused by the social economy initiatives taken by the local council. However, as described above, there are tangible tensions between the different goals. It has been a challenge to avoid an organisational decoupling of environmental and employment goals, strategies and instruments. Also, while some centres originally pursued poverty reduction, it is clear that this goal and corresponding strategies are nowadays not a main objective of the Kringwinkel centres, amongst other because it hampered the expansion and professionalization of the sector.

7.3 Governing welfare mix: developing a participatory governance style

Deliberation and participation processes within De Kringwinkel Antwerpen do not differ that much from what may also be found in regular companies. According to both management and employees, the implementation of Lean Agility and Gemba meetings (Chalmet, 2013) proved to be a good method to ventilate frustration and to signal problems and new ideas. Although often challenging for people with limited knowledge of Dutch, it seems to strengthen the feeling of active involvement and capabilities of the employees. The issues that are discussed with the employees are mostly related to the work floor rather than the management of the organisation or governance issues with partners of the organization. De Kringwinkel centres do not present themselves so much as representatives of the target population, but rather as environmental entrepreneurs in the social economy.

Within the sector there is a strong culture of sharing, learning from each other and participatory processes for collective decision-making. The relationship with OVAM can be described as deliberative. Many of the evolutions in the sector and the waste reduction policy are the outcome of deliberation. The cooperation with Recupel for used electronics is a good example. Respondents do not mention participatory governance as a big challenge. It is rather a necessary characteristic of their sector, which they regard as a learning network of social-environmental enterprises.

7.4 Equality and diversity

The social economy sector and the field of subsidized employment and activation trajectories is understood to be about ‘tailored labour’ and finding a good fit between the long term unemployed person and job opportunities. Bureaucratic rules and regulations that guarantee an equal treatment and equal opportunities of long term unemployed are often experienced as hampering attempts by supervisors, management and the unemployed individuals to develop tailor-mode employment solutions for the latter. The target population is very diverse in terms of labour experience, competencies, level of education, language skills, cultural background and personal history. It is often a matter of being creative with the different possibilities, both of the individual and the different activities of the organization. It is more about “making the puzzle fit” than about equal treatment through uniform trajectories.
Management also experiences a tension between diversity and equality on the work floor. People expect that their particular situation is taken into account, but they also want equal treatment for all in the organization. Employees are sometimes frustrated when they see that others get more advantages, e.g. different labour conditions related to different employment statutes (see also #7). The diversity of instruments for subsidized employment is a strength from the perspective of integrating long term unemployed, but is also the cause of conflicts on the work floor.

Being a protective job market the current employment model of Kringwinkel centres holds the danger of stigmatisation (Nyssens et al., 2012). Applicants and their supportive staff experience that regular employers are not keen to employ people from SW’s. This is a significant obstacle to the enduring empowering effect of the SW model. On the one hand the Maatwerk decree may offer a solution to this problem. On the other hand it is feared that this model will put too much pressure on participation in the regular labour market, forcing employees to focus on the ‘better’ unemployed. Such a trend would strengthen the marginalization of people with a long distance to the regular labour market.

A quote from an employee reflects existing prejudices with regard to social work places and its employees: “We regularly organise guided tours, amongst others for schools and retired people. We always get positive comments at the end when they saw how it works. They are really amazed by the organization, the amount of work that is necessary and the skills that people need to make it work. I believe that if people see what happens behind the scenes, they would not be so fast to judge us for being a social workplace.” (employee during focus group)

### 7.5 Uneven access

Although Kringwinkel centres are all autonomous firms, the Kringwinkel sector is present in all five Flemish provinces. Its relatively even territorial distribution hence provides a basic even access for its target population and customers. Being autonomous organizations, however, local Kringwinkel centres attribute importance to the core values of the sector in different ways and they grow and innovate at different speeds. This results in variations in the possibilities for long term unemployed across Kringwinkel attendance areas. According to the respondents this has to do with different factors: the capacities of and opportunities for the management to expand activities, the number of long term unemployed in a certain area, the geographical variation in the degree to which subsidized employment is stigmatized, etc. At first glance, the long term unemployed are served better in cities because Kringwinkel centres are bigger in cities, but that does not take into account the higher number of unemployed in big cities.

Access to jobs in the Kringwinkel centres is also subject to different administrative requirements related to the different employment statutes and the evolution of activities and expectations towards employees. This may also give rise to uneven access. However, in the focus group, uneven access was not perceived as a big problem or challenge, but rather as a reality and effect of ongoing changes.

### 7.6 Avoiding responsibility

The Kringwinkel sector is not an example of governments avoiding responsibility, quite to the contrary. The Kringwinkel sector has been actively supported by public institutions at the local, Flemish and the federal level. More than 40 % of their incomes come from subsidies, mostly employment subsidies.
Directors of the centres are convinced that the initiative could not survive without employment subsidies. The sector provides job opportunities for long term unemployed and by doing so executes government policy. Kringwinkel centres are a clear case of active subsidiarity. The sector is aware that these subsidies will decrease in the future, mainly because of the changing model for employment subsidies and budgetary restraints of local governments. None of our respondents regards this trend as a sign of a government that is avoiding responsibility. Some even see it as a good evolution towards more autonomy. In the case of Antwerp, De Kringwinkel is somewhat frustrated with the fact that the local welfare centre has its own kringloop initiative. In this case, the government is taking too much responsibility and – in the spirit of subsidiarity – would do better leaving this up to the social entrepreneurs.

7.7 Managing intra-organizational tensions

The diverse and often troubled backgrounds of the target population brings in several possible tensions related to language, attitudes and educational level. Especially immigrants with a high level of education are often dissatisfied by monotonous tasks (Van Dessel, 2013). Some of the employees that were ‘forced’ into activation trajectories develop coping strategies that are in conflict with the firms’ expectations.

In De Kringwinkel Antwerpen, tensions between employees and the organization and amongst employees arise from the differences in statutes for subsidized employment. An important reason for dissatisfaction is the fact that people employed by article 60 §7 of the OCMW-law for a limited period are paid more than people that have been working in the Kringwinkel centre for many years, but in a different employment statute.

Also, the majority of new employees that were recruited via this method (article 60 §7) are newcomers that are not yet proficient in Dutch. The large diversity of cultural backgrounds and languages is also sometimes a source of tensions on the work floor. “Do not forget that seventy percent of our target population employees do not have Dutch as their first language. We have more than forty different nationalities. So the way people speak Dutch is very different too. A group of ten people and seven people speak Russian, Afghan, Arabic, French, Swahili, Dutch, West-Flemish accent, the Antwerp accent! Everybody tries, but it is not easy … it is sometimes like the tower of Babylon” (focus group)

On the level of the firm, the professionalization and specialization of Kringwinkel activities lead to changes in the structure of the organization and in the required skill levels. Today the firm expects in general more skills and professionalism from their employees than a decade ago. Several long-time employees state that it would now be more difficult for them to start a job at Kringwinkel (focus group).

For De Kringwinkel Antwerpen the implementation of Lean Agility management, particularly the method of ‘gemba meetings’ (Chalmet, 2013), is perceived by management and employees as an innovation that enables employees to ventilate frustrations and ideas to team leaders and management and thus cope with potential intra-organisational tensions.

7.8 Enabling legal framework

Over the years the kringloop sector benefited from policy developments and legal frameworks that were very supportive, both in waste prevention and subsidized employment. The legal frameworks
provided the right conditions for a mutually supportive relation between policy-making and the social innovation. The Environment Decree, designed by OVAM, made it interesting for municipalities to forge relations with kringloop centres. In the VLAREMA the kringloop centres were officially recognized as providers of reuse. This policy uses the Ladder of Lansink (Appendix AX), which grants priority to reuse strategies over other strategies like recycling. These two policy instruments were recently abolished, which diminishes the supportive nature of policies for Kringwinkel activities, but this will not necessarily lead to less cooperation on the local and regional scale (as co-operative relations are already established and may survive the disappearance of the legal framework which helped create them). OVAM will most likely take into account the potential of the Kringwinkel sector in the new material decree and thus open up new avenues for product and process innovation in the sector.

The SW model for subsidized employment is very generous in comparison to similar models in other European countries. Subsidies were connected to a job position and were non-degressive. The article 60§7 of the OCMW-law proved to be an interesting and more flexible tool to reconcile growth ambitions of De Kringwinkel Antwerpen and the ambitions of local welfare centres to provide labour experience for the unemployed. De Kringwinkel Antwerpen has several possibilities to hire people after an article 60§7 trajectory has ended, which makes them an interesting partner. The Maatwerk-decree follows in the trend of a more strict and activating policy in Belgium and Flanders. It is still difficult to anticipate the impact on the sector in the future.

Finally, the juridical structure for NPA’s (VZW) has been enabling for both the umbrella organisation and the individual centres. Important benefits like the lowered VAT-rate and the SW model are related to this statute. As the organization professionalized and commercialized and with the coming of the Maatwerk-decree, the limits of this statute become more clear and other options for a legal statute more attractive. De Kringwinkel centres investigate options like a ‘company with social goals’ or a cooperative structure.
References


**Appendix 1: Background information**

I. Number of Kringwinkel-centres (white) and – stores (gray): Evolution from 1995 to 2012

[Graph showing the number of Kringwinkel-centres andstores (gray) from 1995 to 2012]

II. Evolution of reuse per inhabitant 1994-2012

![Graph showing evolution of reuse per inhabitant 1994-2012](image)


III. Employment in persons (white) and Full-time Employed Equivalents (Gray).

Evolution 1995-2012

![Graph showing employment evolution 1995-2012](image)

IV. Evolution of the KLC employment in educational level

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<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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Source: OVAM, 2013: p. 46 [Translation by authors]

V. Employment in Flemish Kringwinkel-centres in 2011 shown in Full-time Employed Equivalents

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<td>90</td>
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Source: OVAM, 2013: p. 44 [Translation by authors]

VI. Employment 2012 in persons and Full-time Employed Equivalents

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<tr>
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<td>Province</td>
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<td>------------</td>
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<td>Limburg</td>
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<td>Oost-Vlaanderen</td>
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VII. Logo De Kringwinkel

![De Kringwinkel Logo](image-url)
VIII. Main partners of De Kringwinkel and KOMOSIE on the regional level

The department work & social economy of the Flemish government supports the social employment activities of De Kringwinkel. www.werk.be

The Public Flemish Waste-department (De Openbare Vlaamse Afvalstoffenmaatschappij-OVAM) strives together with De Kringwinkel for less waste and clean soil in Flanders. www.ovam.be

The Flemish Consultation platform for Social Economy (Vlaams Overleg Sociale Economie -VOSEC) facilitates deliberation and exchange of information between enterprises, organizations and experts in social economy in Flanders. www.socialeconomie.be

The BBL is the independent federation of over 140 nature- and environment associations in Flanders. Together they go for healthy air, clean water and nature to enjoy. www.bondbetterleefmilieu.be

The Partnership Social Employment (Samenwerkingsverband Sociale Tewerkstelling -SST) is the umbrella of ‘social workplaces’ and ‘labourcare centres’ in Flanders. www.sst.be

Source: www.dekringwinkel.be

IX. Evolution of own incomes and the average aid from governments

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<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tr>
<td></td>
<td>000 €</td>
<td>%</td>
<td>000 €</td>
<td>%</td>
<td>000 €</td>
</tr>
<tr>
<td>Own incomes</td>
<td>32.187</td>
<td>52%</td>
<td>36.044</td>
<td>52%</td>
<td>41.124</td>
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<tr>
<td>International government</td>
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<td>0%</td>
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<td>0%</td>
<td>-</td>
<td>0%</td>
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<td>Source: OVAM, 2013: p. 52</td>
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### X. Ladder of Lansink

- Prevention of waste
- Reuse of products
- Reuse of components
- Material recycling
- Incineration with energy recovery
- Incineration without energy recovery
- Landfill

### Appendix 2: Respondents

- 4 in-depth qualitative interviews involving:
  - the first director of the umbrella organisation KVK (now KOMOSIE) who was also the coordinator of the first training sessions on *kringloop* activities in Flanders; (I: Former director of KVK).
  - a representative of KOMOSIE; (I: KOMOSIE representative).
  - The director of De Kringwinkel Antwerpen; (I: Kringwinkel A. director).
  - a member of the directory board of the Kringwinkel Antwerpen who was involved in Vitamine W, the social employment organization that started De Kringwinkel Antwerpen; (I: member of the governing board of Kringwinkel A).

- A focus group involving 10 referents:
  - the representative of KOMOSIE (which was also interviewed individually, see above) a representative of OVAM, eight people working for De Kringwinkel Antwerpen: the representative (which was also interviewed individually, see above), two people of the management, a coordinator on the work floor and four target group employees, two of which are union representatives.
Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE) is an international research project that brings together ten outstanding research institutes and a broad network of researchers in a concerted effort to study poverty, social policy and social innovation in Europe. The ImPRovE project aims to improve the basis for evidence-based policy making in Europe, both in the short and in the long term. In the short term, this is done by carrying out research that is directly relevant for policymakers. At the same time however, ImPRovE invests in improving the long-term capacity for evidence-based policy making by upgrading the available research infrastructure, by combining both applied and fundamental research, and by optimising the information flow of research results to relevant policy makers and the civil society at large.

The two central questions driving the ImPRovE project are:

- How can social cohesion be achieved in Europe?
- How can social innovation complement, reinforce and modify macro-level policies and vice versa?

The project runs from March 2012 till February 2016 and receives EU research support to the amount of Euro 2.7 million under the 7th Framework Programme. The output of ImPRovE will include over 55 research papers, about 16 policy briefs and at least 3 scientific books. The ImPRovE Consortium will organise two international conferences (Spring 2014 and Winter 2015). In addition, ImPRovE will develop a new database of local projects of social innovation in Europe, cross-national comparable reference budgets for 6 countries (Belgium, Finland, Greece, Hungary, Italy and Spain) and will strongly expand the available policy scenarios in the European microsimulation model EUROMOD.

More detailed information is available on the website [http://improve-research.eu](http://improve-research.eu).

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