Bridging the skills gap to empower the social economy and to boost circular economy
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Abstract:

The transition towards a circular economy presents significant challenges and opportunities for the social economy sector. This paper explores the competencies, skills, and training required to facilitate this green transition, drawing on findings from the baSE project - a comprehensive European initiative under the Erasmus+ Program aimed at advancing skills and training in the social economy for green transition. Through a mixed-method approach encompassing literature reviews, surveys, and focus group discussions, the study identifies key skill gaps and training needs within the social economy sector, emphasizing the importance of innovative, accessible, and practical training solutions. The findings contribute to the development of strategic educational frameworks that align with circular economy objectives, highlighting the pivotal role of the social economy in becoming a sustainable and resilient socioeconomic system.

1. Introduction:

The circular economy represents a transformative approach to sustainability, requiring significant shifts in skills, competencies, and training, particularly within the social economy sector. This paper investigates the necessary training frameworks to support the social economy's role in this transition.

The circular economy (CE) is a concept that has gained ground among researchers, politicians and practitioners since 2010 (Geissdoerfer et al. 2017; Lieder et Rachid, 2016). Legislation is emerging, such as the French Agec law[1], and circular business models (BM) are being tested. However, a major criticism is that most appropriations of the CE concept refer to the green growth paradigm without any significant modification of the dominant linear economy. Authors distinguish weak and strong CE (Aggeri et al. 2023). Weak CE is an approach based on process optimization and recycling, without changing the dominant economic model, it maintains a logic of volume in which profitability is correlated with selling always more products. Conversely, the idea behind strong CE is to achieve a genuine decoupling of material extraction from resource consumption. It implies a radical change in production and consumption models, in which the logic of volume is replaced by a logic of sufficiency and quality. An example is the economy of functionality where the business focus is on delivering a service and not selling a product. Subsequently, references to green transition should be understood as the strong version of CE.

The difficulty lies in the fact that these quality-driven circular BM are generally local and labor-intensive, and have higher unit logistics costs, as they do not benefit from years of optimization as the linear economy (Aggeri et al. 2023). For example, the repair business model involves time-consuming manual disassembly and replacement of spare parts. Economy of scale is limited. And unlike the linear economy, with its globalized value chains that take advantage of labor from low-cost countries, circular strategies rely on local labor, which has an impact on companies' margins. That is why most experiments are conducted by actors that accepts lower profitability such as start-ups, SME's and organizations in the social economy (SE) (Aggeri et al. 2023). In fact, SE is a key actor in experimenting innovative BM based on sufficiency and CE (Rousselière et al. 2024). However, these initiatives remain limited and do not spread. One issue is the lack of competences and knowledge that is needed to empower social economy

[1] LOI n° 2020-105 du 10 février 2020 relative à la lutte contre le gaspillage et à l'économie circulaire

actors (Ziegler 2023). That is the aim of the Blueprint for advanced skills & trainings in the Social Economy (baSE) project involving the French authors alongside 9 other European members states (2022-2026).

In the next section we explain the social economy's central role in advancing the circular economy and in section 3 the challenges. In section 4 the methodology is exposed. The results are presented in section 5 before a brief conclusion in section 6.

2. The Social Economy's Central Role in Advancing the Circular Economy

The social economy in France, with its rich history dating back over two centuries, has been a cornerstone of economic and social innovation, embodying principles of solidarity, social utility, and collective management. Its development, characterized by the emergence and evolution of associations, mutuals, cooperatives, and foundations, has been shaped by legal frameworks and institutional recognition, culminating in the significant Law of 31 July 2014[2].

Social economy organizations (SEOs), characterized by their emphasis on social objectives, democratic governance, and the prioritization of people over profit maximization, are increasingly recognized as key drivers in the transition towards more sustainable and circular economic models fostering a culture of innovation and resilience that is essential for navigating the complex challenges of CE implementation.

OECD provides a summary of the SE contributions to the CE (2022). It identifies 5 topics: the experience in developing circular activities, the increase in social inclusion and social cohesion, the inspiring business models and practices, the importance of stakeholder engagement, a higher local acceptance for circular goods, services, and technologies and the promotion of more circular and sustainable behaviors.

These contributions are based on three facilitators that seem essential to understanding the strengths of the social economy, based on collectivist values, equality, democracy, solidarity, equity, solidarity, honesty, transparency, social responsibility and concern for others ([Chaves et al. 2003] Medrano and Penalver 2011).

First, the democratic governance structures of SEOs, foster a participatory approach to decision-making allowing for a more inclusive approach. This "good governance" is crucial for implementing sustainable practices that require collective action and stakeholder engagement (Medraño and Peñalver, 2011). It does not only ensure that decisions reflect the interests and insights of a broad range of stakeholders but also enhances organizational agility and adaptability—key attributes for the successful adoption of CE practices.

Second, SEOs place social and environmental performance in front of profitability targets. This different of priority often make them at the forefront of adopting innovative practices that support sustainability and circularity (Rouselière et al. 2024). Indeed, their social status enables them to experiment with and implement circular BM, especially in repairing, reusing and recycling activities and for many decades now (OECD 2022). Above direct effects related to their higher probability to develop environmental innovation, Rousselière et al. found that the main contribution of SE to environmental innovation "is through influencing other enterprises" (2024).

[2] LOI n° 2014-856 du 31 juillet 2014 relative à l'économie sociale et solidaire

Third, the SE's emphasis on local community and social inclusion also makes it a key player in building resilient local economies that prioritize sustainable and equitable growth. A recent example is the crucial role SEOs have played in the COVID-19 crisis by adapting rapidly and proposing alternatives ways of organizing economic activities. It also proved that the SEOs can play an equally important, if not more important, role in the post-COVID phase in inspiring transformation towards a more inclusive and sustainable society (OECD 2020). Campagnaro and D'Urzo reveal throughout interviews with social cooperatives, literature review and case studies research, how SE works as a driver for promoting a social turn of CE and local development (2021).

The synergy between SE and CE is evident in the alignment of their shared principles and objectives for sustainability, resource efficiency and community empowerment.

3. Challenges of SE in Transitioning to a Circular Economy

However, the journey towards integrating circular economy principles within the social economy sector is fraught with multifaceted challenges. Despite the SE's potential to catalyze CE initiatives and while its democratic governance and community-centric models offer a solid foundation for sustainable practices, several obstacles impede its full potential in driving the CE transition.

SEOs often operate with limited financial resources and face difficulties in accessing capital to invest in expanding their initiatives. In their policy brief on "making the most of social economy's contribution to the circular economy
", the OECD provides policy orientations addressed to policymakers as they can act as "promoters, facilitators and enablers". One measure is to provide appropriate financial support, such as the French "France Relance" recovery plan, which is a €21 million call for projects aimed at SEOs to develop repair and reuse activities (OECD 2022).

Despite the increasing recognition of SE's potential, regulatory frameworks and policies may not adequately support or incentivize their integration. The complexity of legal and administrative structures can hinder SEOs' ability to contribute to the transition. In the OECD policy brief, policymakers, as enablers, are encouraged to "eliminate any administrative and regulatory barrier", "adapt regulatory frameworks" and "enforce approaches for undertaking social and environmental due diligence". The Agec law is cited as an example, as it prohibits the disposal of food and non-food surpluses and encourages making them available to SEOs (OECD 2022).

But, probably the most difficult challenge is the fact that SEOs develop within a dominant linear model that is difficult to circumvent. Ziegler and al. emphasize the importance of economic empowerment of members and beneficiaries to achieve a social economy embedding circularity (2023). One way is by giving people the knowledge and competencies. As identified by the baSE European project, there exists an increasing demand for green skills in SEOs (Kowalska et al. 2022). The OECD also recommends policymakers to invest in "capacity building", to "assess the implications of the green transition in terms of skills and work conditions", to "anticipate skills needs" and to "develop partnerships for the provision of training in general". An example given is the Circular Economy Academy In Ireland which is a free, publicly funded mentoring and support program that assists SEOs to "move their activities towards sustainability and embrace the circular economy" (OECD 2022).

This leads to the research question addressed: What skills, qualifications and training are needed to support the social economy in the green transition, i.e. in the transformation towards a sustainable and circular economy?

4. Methodology:

The researchers collected and analyzed data in the context of a European project in which they were involved. The baSE project has been selected by the European Commission in the frame of the Erasmus+ Programme. It aims at reinforcing the capacities of social economy in key areas involving 25 partners from 10 European countries forming an alliance focused on skills mismatches. The project is composed of 7 Work Packages (WP). The methodology includes a structured approach to identifying skill gaps and training needs through literature reviews, national and EU-level context reports, focus group discussions with key stakeholders, and surveys targeting social economy organizations (SEOs) in all sectors, not limited to the environment. This mixed-method approach ensures a thorough understanding of the current skills landscape and future requirements for supporting the green transition within the social economy.

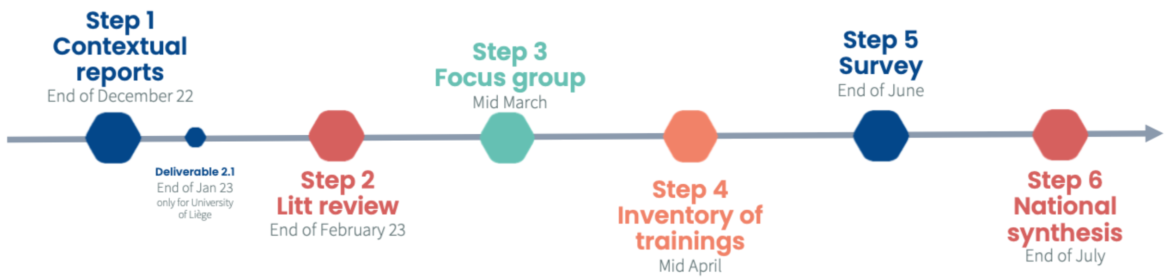

Figure 1: Steps of the Work Package 2 of the baSE project.

The short paper concerns WP2 and presents results related to France and the green transition, understood as the strong version of CE. WP2 methodology is composed of 6 steps (see Figure 1) the third and the fifth ones being the most enriching. Indeed, the Focus Group and the survey allows for "bottom up" identification of SE demand for skills and competencies regarding green transition. 156 persons responded to the survey mainly non-profit organizations and associations.

5. Results:

The study is ongoing and only brief results are presented Table 1. Skill needs are identified across management, practitioners, and support roles within the SEOs. Trainings design and testing are part of WP4 and WP5.

Table 1: Identified Skills Needs in the French Social Economy Sector for Green Transition

Priority order	Management	Practitioners	Support roles
1	Systematic analysis & decision making	Ability to communicate and raise awareness on green transition	Strategy for green transition

2	Strategy for green transition	Ability to observe and understand complex interactions	Systematic analysis & decision making
3	Change management	Understanding the links and interactions between social economy operations and green transition	Awareness & engagement

Regarding green transition, it appears that managers and supporters share a global and step-by-step approach. Their main divergence reflects their own specific role in the SE ecosystem: managers tend to integrate thinking into operations by prioritizing "change management" skills, and supporters tend to push the SEO to coalesce around this strategic transition by prioritizing "awareness and engagement" skills.

In contrast, practitioners insist on skills linked to day-to-day consequences of green transition. Their top priorities are to understand the nature of the changes they will be faced with on a daily basis in their work, and to be able to explain them and inform the people they interact with.

It appears that most of these identified skills are covered by existing training courses in France, which were listed in the inventory drawn up in WP2 step 4. However, most of these courses were found on institutional French websites and require a high level of education that is not appropriate for employees and volunteers in SEOs due to the inherent diversity of social backgrounds. The next step will be to complete the training inventory with in-house and informal training developed within SEOs, to identify the exact training needs.

6. Contribution and conclusion

In conclusion, the transition to a more circular economy presents both challenges and opportunities for the social economy sector in France.

By addressing the skills and competency gaps that can enable the social economy sector to play a central role in disseminating innovative and sustainable circular practices, the authors aim to contribute to session 3 of the International Social Innovation Research Conference, and more specifically to the "education and skills development" topic.

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