

New Vocational Ways and Qualifications for Professionalisation in the Second-Hand Sector

Quali Pro ——— ————— *Second Hand*



Proposal for a network design strengthening the
professionalisation process in the Second-Hand sector
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1 Introduction

The analysis of the Second-Hand sector in Europe which has been done in the framework of the Leonardo project "QualiProSecondHand" has shown, that there are no umbrella organisations within the European member states and therefore no network structures which unite the entire sector. The majority of the second-hand sector in Europe – on the national as well as the European level – is not organised in associations or large federations (with the exception of Belgium and partially Germany). Only isolated associations and networks or other co-operations were able to be identified with regard to certain areas of the sector. However, it turned out that corresponding networks on the national, regional and local level each only comprise a fraction of a country's companies. Particularly in the not-for-profit or charitable area, networks of varying form were able to be identified, whereas in the profit area only very isolated or rudimentary networks are available in the second-hand sector. Of course, there are more and more endeavours to create uniform structures in order to ensure product quality, to build up collective marketing channels and to enable an outward representation of the sector, yet due to the heterogeneity of the sector hardly any federations of companies which function as a political lobby group were able to be identified. The reason for this – that the need for networks within the second-hand sector exists on a national level, yet appropriate networks will not be realised – lies in a lack of the necessary resources, which necessitates the work of an association. Appropriate networking structures frequently have no financial basis, the required personnel resources are lacking or they are not set up broadly enough. This is why existing networks (for the most part also sector associations) do not have enough influence on politics and are not able to strengthen the image of second-hand trade.

Particularly the political influence plays an important role on a national and especially European level with regard to the establishment of a sector which is still growing, such as the second-hand sector. For instance, half a decade ago the former president of the European Commission, Jacques Delors, stated that 80 % of economic legislation will no longer be resolved on a national level, but on a European level. For instance, today the EU has considerable influence on all areas of politics and society, the markets and the states. This is expressed in the legislation, the awarding of promotional funds and in the opening of new markets and learning fields. By means of regulations and directives, more and more (minimum) standards will be specified, which must be implemented in the countries as well as individual sectors. In order to meet the requirements of the EU and to be able to take part in the optically creation of the processes of opinion-forming on the European level (but which also applies to the national level), the establishment of all kinds of networks is indispensable. The greatest possible political effect can be only achieved by necessary co-operations within the sector between individual companies or organisations also have to be entered into in the second-hand sector. Only in national as well as European networks, such as the European network "RREUSE", can the second-hand sector effectively realise the representation of its interests and those of its member enterprises on a national as well as European wide level. Thus do the individual companies and organisations have the chance of an active co-arrangement of national and EU policy, and can exert a guiding influence on changes. Therefore networks are an adequate form of action in order to influence and to take advantage of the varied EU promotional programmes. Corresponding EU promotional programmes generally offer financial support for various fields of action and economic branches, but at the same time they also promote networking on the

European level in order to achieve the most far-reaching positive effects possible for all of Europe. The “principle of partnership” in EU promotion arrived already in the 1980’s. On the one hand this means the close connection between the European Commission and the public and private players on all levels of the member states. This means only whoever networks on the European level, is jointly active in a specific field, works on similar questions and promotes the exchange with partners from other countries in order to thus open up new perspectives and to stimulate professional discussion will be involved in the awarding of projects and thus the influence of changes. The arrangement of new markets as well as the growth of cross-border markets, to which the second-hand trade can also be counted, can only then be further expedited and positively influenced if the companies newly organise themselves.

Against the background of current discussion on networks in Europe and the objective of the Leonardo project “QualiProSecondHand”, to promote the professionalisation of the second-hand sector in Europe, amongst other things a proposal for a network design for strengthening of professionalisation processes in the second-hand sector with the 7 countries involved in the project (Germany, Austria, Belgium, Finland, Great Britain, Slovenia and Bulgaria) has now been prepared. Based on the varied forms of networks and for differentiation of conceptualisations, a brief description of various commercial connections follows first of all. Then, based on the results gained by means of occupational-scientific research instruments (sector analyses, expert workshops, case studies), proposals regarding necessary networks within the involved partner countries of the project as well as brief explanations regarding networks already existing in the countries (insofar as available) will be subsequently presented. Based on the national analyses and proposals for a suitable network design for the second-hand sector, a summarising possible European network design will be discussed.

2 General description of different kind commercial connections - networks, associations, co-operations and franchising networks

Network

A (social) network in the business studies is a focused, deliberate form of organisation that joins a special number of organisations (or enterprises) who have the same goal. Very often networks have an own label, because so there is e.g. a recall value for the customers. The members of such a network have not only one and the same goal and operate under the same label; they also hope to have an advantage through the network. A network consists of more than 3 partners and if it is a formal network the members make a contract. Furthermore in the case of a not formal network exists no contract between the members. Mostly networks have informal and/or organisational tasks and they have a head administration that organise the network. The administration of the network has different tasks (it depends on the goal of the network) like:

- presentation of the member enterprises
- same quality standards for the member enterprises
- organisation of training measures for the employees

- promotion of exchange of experiences
- organisation of special sale events
- assure of a quality management
- develop common business structures for the member enterprises
- representation of the enterprises to local authorities
- arrange advertisement activities

Associations/federations

Associations are all kind of groups of individuals (natural person) or statutory corporations (entity) that pool together in a legal form of a voluntary association to pursuit of common purposes and usually have a fixed internal organisational structure. Between the members of an association and the association exists a formal contract and the members pay a kind of membership fee. Associations combine the interests of individual members to achieve common goals or values. They exist and operate in all areas of society. Social and political science differs with different kind of associations. In the case of the Second-Hand sector you talk about professional associations or in the case of not-for-profit enterprises in some partner countries also from social and welfare organisations. Also parties, trade unions and chambers of commerce belong to item "association".

Associations very often arise from a monopoly position. Insofar they have a superior social importance. Voluntary professional or social associations and federations have the characteristic of voluntariness if you compare them with chamber of trades and liberal professions. There exists in some countries (e.g. in Germany) a compulsory obligation of membership.¹

The most professional associations are a kind of association that is carried out lobby work. Associations in the Second-Hand sector combine different task. Regarding the presentation of the members of the association outside the association has the responsibility to pool the interests of its members and represent them to other players on the Second-Hand market (e.g. against authorities, chambers etc.). And the association act for the members in the public as a substitution. To the inside the association operate usually as a kind of forum for its members – it is a platform for exchange, discussions and promotion of common ideas. Furthermore associations offer their members a privileged access to sector specific information as well as to special events (conferences, workshops, exhibitions etc). Some of their operating tasks are:

- representation of the member enterprises to the authority (local and federal level)
- organisation of exchange of experiences
- public relation
- investigative work on legislation
- organisation of conferences, workshops etc.
- transfer of sector specific know-how
- transfer of information (e.g. political decisions, legal information) to the members
- organisation of further training courses

¹ Source: http://de.wikipedia.org/wiki/Verband_%28Recht%29 (access : 23.06.2008)

In comparison with traditional clubs the membership in an association is bound to formal conditions. The members have a formal contract with the association about their membership. Normally they have to conform to special requirements to become a member (e.g. they have to deal with Second-Hand goods) and they have to pay annually a fee.

Co-operation

A co-operation is mostly a consortium of two or more enterprises for a particular purpose. The co-operation partners have the same agenda. The goals and the purpose why the enterprises contract a partnership (co-operation) are fixed a formal contract or agreement between the partners. It is not necessary in such a co-operation to pay an annual fee. The reasons why enterprises enter a contract as a co-operation could be different, for example:

- for purchase of goods
- for sale of goods
- for exchange of goods
- for identification and presentation with special quality standards (or under a same label)
- for qualification

Franchising networks

A franchising network (enterprise) is a kind of cooperation model. Crucial for the definition of “franchising networks” is certainly the close cooperation between the franchisor and the franchisees which both remain independent enterprises. The cooperation will only take place within a clearly defined contractual framework to ensure the goal of the franchising system. Generally the franchisees are more strongly involved in the distribution system of the franchisor than appointed dealer. The franchisee sells its goods or services legally independently and is pays fees for the use of uniform equipment, a common name, the common appearance to the outside, the use of a trademark (e.g. logo), a uniform distribution system as well as often for common book keeping. On the other hand the franchisor trains the franchisee; he controls the implementation of the franchising concept and may give instructions. Generally, a franchise system is characterised by four criteria:

- Self-employed entrepreneurs agree on a contract a co-operation for the length of time.
- Against a single sum payment and/or ongoing amounts the franchisee gets the permission to have clearly defined rights to the franchisor.
- These rights include: The use of brand names or company names, application of a business concept / system, production and/or sale of product group.
- Support from the franchisor in the development and the ongoing management of the enterprise.

Franchising networks or systems cover different advantages for the franchisees as well as for the franchisors.

Advantages for the franchisees:

- The entrance into the market will be accelerated, because the system is known and established.
- The franchisees have (often) territorial protection (local monopoly).
- The franchisor makes a proven business concept and a complete package of services available for the franchisees.
- The franchisor has established a good image by many years of marketing and maintains this permanent.
- The credit from banks is higher, because the business risk is reduced.
- The franchisee can take advantage regarding to economies of scale (e.g. promotions or purchases).
- The franchisee is still an independent entrepreneur.
- The franchisee is given a well-known brand that is established in the market.
- Information exchange
- Enterprise comparisons
- The franchisees receive efficient work processes that are proved in the practice.
- Through continuous training and education the performance of the franchisee improves.
- Through the control of the franchisor grievances can be detected and changed faster.

Advantages for the franchisors:

- The franchisor uses in particular the willingness of the franchisee to act as an independent contractor.
- If the franchisees take over an existing business, they can immediately resort to an ongoing business and a solid customer base.
- The franchisor can avoid the effort to built a system of stores and develop a distribution network that is tailored to its own special needs.
- The franchisor can merchandise his business system and know-how with a relatively small capital expenditure.
- Direct and also medium term capital gentler market access.
- Rationalisation, greater efficiency of the system on the market.
- Rising attractiveness for suppliers.
- Rapid expansion opportunities.²

² Source: <http://de.wikipedia.org/wiki/Franchising> (access: 23.06.2008)

3 Need of co-operations, networks or associations in the European Second-Hand sector

3.1 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in “Germany”

In Germany there different networks could be identified that are operating in the Second-Hand field:

Network, association	Profil, target group
Second-Hand vernetzt e.V.	Members from the profit- and the not-for-profit sector. Focus: experts on second hand, promotion of Second-Hand goods trade. Profile: association
bag arbeit, Fachgruppe für Gebrauchtwagen und Recycling	Members from not-for-profit sector. Focus: Integration and qualification of unemployed people, intersections on the subjects recycling, reuse, sustainability, ecology. Profile: National umbrella association, expert in the link between Second-Hand focus and integration
Fairwertung	Members from not-for-profit sector (in part bigger organisations) who arrange textile collections. Focus: Development of environmentally and socially acceptable concepts for dealing with used clothing, create transparency in textile collections. Profile: National umbrella association.
Verband Textilrecycling	Members from profit- and not-for-profit sector (small and medium-sized enterprises) from across Europe. Focus: Textile collecting, export and recycling, Profile: Professional association
RREUSE	Network of the networks from not-for-profit sector. Focus: Focussed on recycling, reuse, sustainability, ecology. Profile: European association

Table 1 Existing Networks of the German Second-Hand sector

The first two networks of the table have in their focus most clearly the target group "Second-hand dealers". The association *Second-Hand vernetzt e.V.* distinguishes itself by focusing on the theme of second-hand – independent from whether it is the profit or not-for-profit area. The coexistence of the members (enterprises with very different conditions and objectives) is not always easy, because of their diversity they have different requirements and needs. The section for used goods and recycling of the *bag arbeit* can look retrospectively at successful work in the field of Second-Hand goods. Thus the section is available as an expert for 40 enterprises from the Second-Hand field and 30 enterprises from the recycling field and successfully provides a continuous networking work on "integration and Second-Hand/recycling". Both networks have their roots and founding ideas in the areas of "sustainability and ecology." For the near future they see that both of these issues gain in importance and that the link of issues such as second-hand and resource avoiding/recycling afford a variety of interesting development opportunities for the second-hand field.

The discussion with national sector experts have made clear that it would be necessary to promote the further development of national Second-Hand networks in Germany in the direction of associations. This form of networking seems best suited

to perform the necessary basic functions and tasks that should be achieved by a network. In this respect the following aspects can be mentioned:

- Expert knowledge, build up specialist know-how about second-hand and develop it
- Qualification / training of employees (individual) and enterprises (system, organisation)
- Lobbying and public relations for the branch
- Member services
- Initiation and facilitation of networks and cooperation between members

Such an association should primarily have or develop a brand, which strengthens the identification of the members (internal) and in a second step can be used to profile themselves to the front of the customers. Thus, *Second-Hand vernetzt e.V.* has made good experiences with the initiation of a label. Amongst others a quality debate has been actuated by that. Compared to the kind of network "association", the experts see in the system of "franchising" more a subordinate role as a form of networking in Germany. Thus, franchising is for the German experts more a type of business than a kind of network. Cooperation in turn can be found in Germany at present mainly between enterprises and they are mostly regionally orientated and they are focused currently on narrowly defined tasks of agreement, such as training, advertising, etc. For strategic cooperation between enterprises there is currently no demand.

How the expert discussions have illustrated, the networks *Second-Hand vernetzt e.V.* and the section for used goods and recycling of the *bag arbeit* are approximate to the basic structure and the objectives for the future pursued idea of networks in the Second-Hand sector. To improve the effectiveness of networking at the national level and to increase the benefits for the members, the idea of cooperation between the two institutions has been developed in the context of a panel of experts of the project "QualiProSH". An adequate concept can look like:

The *bag arbeit* offers members of the section for used goods and recycling the membership of the association *Second-Hand vernetzt e.V.* So they have access to the benefits of the other network. In return, the *bag arbeit* pays a part of member fees to the network *Second-Hand vernetzt e.V.* But also in the other direction is cooperation thinkable, because the *bag arbeit* offers through their broader spectrum (recycling, resource) interesting development opportunities for the Second-Hand branch. Through such cooperation could be also drawn up a strategic development project with the focus on the qualification of disadvantaged people. This could especially integrate companies from the not-for-profit sector, the second-hand sector operate their employees specifically to the needs of corporate profit qualify. Thus, especially integrated enterprises from the not-for-profit sector, which operate in the Second-Hand sector, get the opportunity to qualify their employees specifically to the needs of profit enterprises. This approach would be due to the fact that, on this page is a demand for trained professionals. A possible cooperation between the two networks brings a number of positive effects and benefits for their members and contributes to a strengthening of the sector and promotes the professionalisation. Both networks (in cooperation) should cover following tasks:

Objective	Task
Expert knowledge, build up special know-how about second-hand and deepen it	Be an expert, provide experts; Build up sustainable contacts to experts/institutions to which individual enterprises usually have no access.
Qualification/training of employees (individual) and enterprises (system, organisation)	Develop and carry out specific qualifications; Provide specialist trainers and consultants; Promote the development of enterprises and of the branch by organised and moderated exchange of experience.
Lobbying and public relations for the branch	Lobbying: Examine laws, propose improvements, plan and implement image campaigns, develop and maintain a portal (contact construction)
Member services	Offer benefit in money's worth (operating insurances, participation in EC-cash pool, etc.); Qualifications/trainings, conferences; Information exchange, newsletter; Operating comparative figures (organise benchmarking); Enterprise advice
Initiation and facilitation of networks and cooperation between members	Found cooperations (Cooperation for purchase, for logistic, for qualification, for quality management, etc.); Organise national conferences, benchmarking, groups for exchange, regional regulars' tables

Table 2 Objectives and tasks of a possible Network cooperation in Germany

To realize such objectives in a possible network it is necessary to have a central management, which assumes both strategic and planning functions and takes this into practice. The management can be taken over, like it is usually in such networks, by a voluntary Board of Directors. In detail the management is responsible for the organisation of accurate services and information, the observation of business trends and the development of cooperation. Furthermore it functions as a contact partner for policy and performs necessary lobbying activities. The objective at the national level is to improve the influence on parliamentarians and ministries and at European level, on the Commission.

The advantage for individual member enterprises of such a network lies on one hand in their interest representation and the other hand in specifically concrete services offers. Like the expert discussion has shown the member enterprises (at least in the existing networks), primarily use event offers and training opportunities as well as the function of the network as a platform for exchange of experience. The political lobbying is often not transparent enough and shows often no short-term effects and it therefore it is not mentioned in the first place by the members when it comes to the motives for membership.

3.2 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in “Austria”

In Austria the Second Hand Sector is not very well organized. There are about 800 rather small private profit second hand enterprises, and about 80 enterprises in the not-for-profit sector. People, who run second hand businesses, do this, because they are interested in second hand items and rarely from profitable reasons. Budgets for advertising and marketing are low. Because of this the budgets for advertising and marketing is often very small. Also the second hand market is changing rapidly all the time. Thus, traders have to update their know-how continuously, to be able to survive in the market. Especially in not-for-profit enterprises managers and key workers have to deal with employees with social and economic problems or other handicaps.

Because of the sector structure in Austria it is necessary to initiate networks that can help to give second hand enterprises support in advertising and marketing. This would help enterprises to gain more attention in the market and raise their presence in the public. Networks also can provide information about market-trends and provide essential know-how for its members. Especially in the not-for-profit sector networks they can adopt lobbying tasks and represent its members in negotiations with politicians and public administration.

A possible national network, with the above described tasks, should include certain structures so that the organisation and the existence of the network assured. Such a structure should include:

- Head of the network
- Board: consisting of at least a few elected members
- Executive head, manager: a person, who has enough time resources to run the network, preferably this person gets a salary
- Network members: second hand enterprises
- Advisory board: necessary, if the network gets public funding

The different functions (positions) within a network which are listed here should be taken over different tasks in the network (see table 3).

function	task
Chairman	Head of the network, representing the network in the public and also within the network
board	Decisions about the working program, decision about network criteria
Executive head	Runs the network, public relation work, marketing and advertising work, membership service, organisation of activities
Network member	Pays membership fees, uses offers of network, fulfils network criteria, participates in the network

Table 3 Functions and their tasks in a possible network in Austria

A formal structure for an Austrian network is not necessary. Still there should be membership fees to run the network. A possible network primarily should bring advantages, like:

- Cheaper marketing and advertising activities
- Organisation of common marketing, public relations and advertising activities
- Possibly common quality standards, quality management
- Further education offers
- Exchange of experiences
- Presentation of member enterprises
- Common website
- Common activities

As it is clearly shown here it would be desirable for the Second-Hand sector in Austria to establish a network in the form of an association, because there are currently only limited institutions, that represent the Second-Hand sector respectively no networks exist. In the profit sector are only two institutions:

1. Viennese Economic Chamber

The Viennese junk goods trade is loosely networked in the Viennese Economic Chamber via the Regional Committee Vienna. In the federal states, there is no networking; traders there are partly co-serviced over the Regional Committee Vienna. The network provides a brochure with the addresses of all members and organizes training activities like excursions. Within the junk goods trade there are cooperations, as certain junk goods are more easily marketed in special stores (e.g. lamps from the 70s). The customers would rather frequent special shops than to canvass many junk goods traders, which is much more time-consuming.

2. Network of Sole Traders

There is a network of about 7 shops in Vienna that have agreed upon one name, in order to conduct a conjoint marketing concept. However, the enterprises operate independently. There is no connection concerning the distribution of goods. It's a very loose network and focuses mainly on a joint corporate design.

Concluding we want to refer that there exists in the not-for-profit sector in Austria no known networks or other kind of co-operations.

3.3 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in "Belgium"

In the case of Belgium it appears that it is very important to avoid any mistake in the choice of the right way of organising the link between the different enterprises in order to reach the goals each organisation targets for itself.

A network should have a fluid link between the parties taking part in it. That plays an effective role in focusing the mid-long term objectives of the enterprises belonging to it, giving although them a great opportunity of working independently. Due to the fact the network is commonly understood as a smooth link between the organisations (although formal networks call for more constraints between the network's members), it is very interesting to note the importance of a stable and reliable executive body in it. Without any doubt, a strong executive secretariat is needed in order to prove effectively the existence into the reality of the network. Among the

administrative task of the secretariat the external communication plays an important role in the network.

In considering the Cooperation “design”, it is good to know it works on a very specific agenda of objectives, so it constraints the possibility of easily broadening the issues in a simple way. At the very beginning it seems very good that the enterprises uses all possibilities to direct their actions in the way they like. In the follow-up it could be considered the idea of having more precise schemes for the design. We consider it fair to overcome the possibility of guaranteeing the sector with the “design” of Association/Federation, provided this approach is focused - in the way it has been submitted to our attention - on the binding formal link and on the fees the enterprises being part of it should pay. However it seems important to draw the attention on the possibility – since there are cases throughout Europe – of considering the Federation when it is constituted on a voluntary basis without any particular commitment on costs and fees (even if there can be found few cases of “Design” that at least not require for any cost at all).

In considering the possibility the Franchising/Franchisee relationship matches the exigencies of work of the enterprises being part of the sector, it seems worth remembering this kind of relationship assumes the fact one leader holds the trademark the others following independently the rules that are set out in the franchising contract. Moreover this design is much more effective in market-economy than applicable in a sector that sees a considerable number of the enterprises involved coming from the not-for profit field. In consideration of the short overall review the different kind of link expressed, we are frankly thinking the best approach in this case should be considered the Network’s one. It is better suited in comparison to the franchising scheme considering the latter does not seem well attained – or not so used - to the social economy schemes (sector that is mostly concerned in this project).

We have experience from members’ networking since RREUSE is a European Network of social economy enterprises. RREUSE is the umbrella organisation of the network. The network works on a daily basis. However the network’s tasks are even more important and effective when the networked organisations cooperate and support the activities carried out by the Network. This makes the voice of the Networks more strong even more in its influence work at institutional level. It is frankly right to state that not all the networked organisations and enterprises are ever interested or concerned on all the issues at stake. They intervene and support the network whenever they are convinced is worth to being involved in. That is to be considered a good asset for the Network since it guarantees the better involvement at high rank on specific topics.

In Belgium the Network RREUSE covers the Wallonia region, the Flemish region and the Bruxelles Capital region. The Network successfully aims at giving the networked not-for profits social economy organisations concerned (RESSOURCES in the southern part and in the Brussels capital region and KVK in the northern Flemish part of Belgium) the executive information on a up to date basis on the issues the organisations networked need.

RESSOURCES and KVK federate the reuse centres in the three Belgian regions. These federations see their activities highlighted within the context of the Network RREUSE in which they are part of. The Network guarantees the exchange of information on available partnerships within the framework of the European area countries.

RESSOURCES constituted in 1999 regroups 52 social economy enterprises with activities in reuse and recycle. RESSOURCES federates its networked organisations (committed to environment and social economy) on the basis the activities they carry out, the stream sector they focus on and by the geographical where they work. This network employs 1500 persons on a full time equivalent basis. It gains support from several environmental and social economy organisations and grants from the Environment Ministries of the Wallonia and Bruxelles Capital regions.

As far as the Flemish network KVK is concerned, it seems worth to recall it was established in 1994 and now federates all the reuse centres in Flanders. KVK supports members' mission (reuse, employment for low-skilled and long-term unemployed people) through mutual collaboration to guarantee the realisation of the mission of the sector. It defends the interests of the sector towards local authorities, government and stakeholders and sustains the members by developing project-related support mutual collaboration to guarantee the realisation of the mission of the sector. Consultation of members, exchange of ideas and information, development of common vision and strategy are the means KVK network acts and the result is a constant growth of sector and customers, positive perception of public towards reuse and second hand, reuse sector seen as best example of social economy.

Although similarities in the structure of the designs can be easily spotted (common objectives, focus on specific areas of interest, etc.), the difference that permits to choose the Network instead of the other proposed solution memberships is, in addition, awarded by the way the cooperation within the network members is guaranteed. Freedom of action and inputs from any organisations concerned are the keys for the success of the Network. As written before, what is needed is, however, a good executive secretariat which could collect, update, manage and disseminate the inputs on which the organisations are concerned, so to create a bulky visible field of action for the network.

In conclusion, it seemed to RREUSE the best way to strengthen the professionalisation of the second-hand sector should be the Network design. As recalled, the sector has not yet reached that level of structural organisation so it does not seem the *momentum* to organise it in a more constrained way.

3.4 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in “Finland”

The general opinion of Finnish experts seems to be that the national and international networks are needed in the Second hand sector. The purpose of networks usually shares experiences, develop good practices and strengthen the status of the enterprises in the second hand sector. In Finland they have the form of cooperatives or associations, but not really franchising networks. Associations are

important channel for example for lobbying and influencing the development of the sector.

Networks are mostly needed in enterprises and associations in the business areas they don't have enough resources/knowledge. For example, marketing activities can be carried out in cooperation with other actors. As many enterprises and organisations are quite small in the Second hand sector in Finland combining the resources in some business area can be a profitable way to do business.

As an example of a national network in Finland is Netser which is a cooperative in the reuse and recycling business that was founded in 2007 by four social enterprises in a result of SYTRIM project. The SYTRIM-project was focusing on the development of social enterprises in the recycling and the reuse business and was funded through European Social Fund (ESF). It was coordinated by the University of Oulu, Learning and Research Services. Netser cooperative combines the resources and activities of its founders in order to strengthen their social impact and business operations. In practice, their services include for example marketing in Internet, agreements and logistics, maintenance and repair services, international trading services in WEEE. They also are part of RREUSE-network (Reuse and Recycling European Union Social Enterprises) so they can share experiences at an international level. Netser seems to provide the services its founders and other enterprises in the field of WEEE business need.

As the conversation with sector experts and the example of Nester shows that networks can be created in Finland for example through cooperation projects where partners from cities, state, schools, institutions, associations and enterprises should be involved so there would be different kind of expertise merging together. Their aim should be strengthening the existing businesses and also starting businesses in the Second hand sector. Among the network Nester in Finland there already exists some more networks in the Second-Hand sector but still more cooperation is needed among different actors.

3.5 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in “United Kingdom”

The analysis in UK has shown that most of the Second-Hand sector is non-federated. But the investigation also shows that into the sector has revealed some federations or bodies covering certain areas. Some of these are organisations such as:

- National Market Traders' Federation
- Provincial Booksellers Fairs' Association
- CRNS Community Recycling Network for Scotland
- Association of Charity Shops
- Local Authorities
- Chambers of Commerce and Trade

All of the organisations have an impact on trying to support, regulate and professionalise the parts of the second hand sector they are primarily concerned with. However, there is no overarching body that represents the whole sector, probably because there is no official industrial sector for the second hand industry.

Examples of the workings of some of the organisations researched are given below: The Association of Charity Shops was formed in 1999, and is now a major player in the second hand market. It employs 6 paid employees plus occasional volunteers. Members range from the largest national charities to locally based hospices and run between them 6700 shops. In 2005, the Association launched the Code of Charity Retailing in response to the government's encouragement of increased self-regulation in charity fundraising. It continues to lobby government on key policy issues to ensure the regulatory framework is as supportive as possible. The detailed aims of the association can be described like:

- To develop good practice in charity shops
- To lobby national and local government in the UK, and in Europe more effectively
- To improve the efficiency in all shops by providing and sharing information
- To promote charity shops to the general public
- Communicating and working with members
- To improve contacts with local councils, businesses and suppliers
- Working closely with other voluntary organisations

An example of a Local Authority working with charity shops is Braintree District Council in Essex who showed their support for charity shops by giving charities the first option to clear void council houses, sponsoring charity Bags for Life, offering charities the chance to pick up the outsourcing of their bulk waste collection system, offering PR and financial support and working with a charity on a textile recycling scheme. The council spent three years of hard work building up partnerships with charities and place a great deal of importance on working with their community.

As a significant amount of the sector is made up of individuals in a sector with limited regulation, the bodies already in place support the needs and requirements of the specific areas such as books, charities, recycling etc. Areas such as car boot sales, e-bay and individual sales are underdeveloped in this field and may benefit from a supporting body. However, most of these people who were contacted felt that such a body was not really needed.

3.6 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in "Slovenia"

The analysis in Slovenia has shown that employers need a representative who will defend their interests and speak in favour of the most favourable solutions. The Chamber of Commerce and Industry and the Chamber of Crafts play this role in Slovenia. Chamber of Commerce and Industry has 23 branch associations. They represent vital interests of employers in negotiations with trade unions and Government. In addition to a number of activities connected with the company requirements, the most important activity of the Chamber is providing professional consulting services.

There are other innovative groups in Slovenia which operate as innovative clusters and technology networks on national or regional level. Today 18 cluster networks have been established which offer infrastructure, services and coordination services to their members. These clusters help to create better work conditions for companies

by protecting interests and ensuring cooperation with public institutions, the research community and financial organisations and so on.

Second Hand sector in Slovenia is not identified as a sector, association or any other kind of network. The main reason is that only a small number of companies operate as shops buying and selling second hand products. We believe that it could be useful to launch pilot project in order to establish for example Info-office. The Info-office would work towards strengthening and encouraging second hand sector in Slovenia. The pilot project model should encompass three components:

- Organisational structure that would facilitate the establishment of an Info-office. This Info-office should aim to integrate second hand companies into business network. Info-office would ensure equal representation of the Second Hand companies. In this way members could enforce their interests. The primary role of the Info-office would be the assistance and support to Second Hand companies with a view to ensuring their better visibility on the Slovenian market.
- Preparation of a Info-offices' service descriptions and model of implementation
- Preparation of software that would facilitate the provision of such a system.

Such a Info-offices should offer the following services:

- Promotion of the second hand sector through fairs, publications and other dissemination media. Particular attention should be paid to Internet promotion.
- Information about business opportunities (range of products, information about suppliers)
- Information about business environment (business legislation, market data etc.)
- Information about training programmes
- Organisation of the workshops which would help members with their applications for EU structural funds.
- Assistance in locating suitable partners for cooperation on cross-border level.

The proposed network could operate on national level with hierarchical structure. There should be a management team who has to meet high professional standards for example in the area of business knowledge, labour market functioning, advertising, how to make second hand business attractive and so on. Info-office should have a management who would ensure operation of the proposed tasks. This particular responsibility would fall on the head of the Info-office. Each branch of second hand sector would have its representative in such a network. The amount of funds for financing Info-office would depend on the number of its members. One of the possible sources for financing this Info-office could be European social funds.

3.7 Explanations about the need of co-operations, networks or associations in the Second-Hand sector in “Bulgaria”

Looking at the economic situation in Bulgaria and the enormous difficulties faced by individual companies in the Second-Hand branch by the procurement of goods,

create new sources of supply and the organisation of transportation and storage, so you can clearly recognize the need for the establishment of a network.

As the analysis of the Second-Hand sector in Bulgaria has shown the majority of market participants are small family-run businesses. At the same time we have in Bulgaria a boom of opening of new, large-scale technology markets. These markets flood the market with leasing offers or lease payments for low-cost products particularly in the field of "white and brown goods". To improve the chances of survival, it would be appropriate that the small Second-Hand trader unite themselves to a common network or marketing-/advertising network. Under these conditions it is suggested to establish a network in the form of a federation or association. The financing should take place by membership fees. The main tasks of such a possible association can be described as follows:

- Design and publication of a label for Second-Hand businesses
- Support in the planning, organisation and implementation of action days and promotional activities
- Maintenance of contacts with the trading partner abroad and making new contacts
- Representatives of the members in negotiations with trading partners
- Organising the transport and possibly temporary storage of goods before they are transported to each member
- Support for the organisation of trainings/qualifications for the employees in the Second-Hand enterprises

The creation and implementation of a possible association should especially happen in a way that the network members have an advantage of the network activities. Generally it is assumed that the members have a variety of benefits through the creation of an association. These include:

- National uniform brand/label and presence of the members
- Higher grade of publicity
- Emergence of „consumer confidence“ in quality and service
- Fast and easy access to goods procurement sources
- Exchange of experience between the members
- Lower costs for promotional activities
- Increased representation in the government offices and agencies
- Access to specialised trainings

Another important task of a network would be the organisation and implementation of collection activities itself in the country. So far there is no experience and no tradition in the further use or repair and sale of used goods (clothing, furniture) in Bulgaria. These actions would also contribute to the formation and strengthening of environmental awareness of the population.

The ongoing costs for staff and rent to initiate an association must be covered by member contributions. Furthermore it is suggested that a possible association could be registered as a "not-for-profit organization".

Another useful way of networking in Bulgaria will be the form of franchising. A franchise network would be an adequate form of cooperation between Second-Hand dealers, who deal with textiles. They may decide for certain brand-name products and thus offer customers a guaranteed quality. For the dealers themselves, this form of networking means that a calculable source of procurement of goods and regular supplies are ensured. After the initial successes more and more enterprises feel now the pressure of competition and need to re-orient. Furthermore, more and more single Second-Hand shops for "brand clothing evolve, for which a franchise network has a new identity and security.

Finally, it is noted that the exchange of knowledge, resources and information is also important for the Second-Hand sector, as a Bulgarian wisdom says "none of us alone is just as strong or smart as we all together". United under this principle, members of a possible association can operate more flexible and successful.

4 Discussion and recommendation for the European Second-Hand sector

As the results obtained within the framework of the "QualiProSecondHand" project in the course of different European expert discussions illustrate, in the partner countries involved in the project there is a considerable demand to develop networks for the second-hand sector at a national level. The tendency with regard to the development and the establishment of a network proceeds mainly in the direction of the establishment of associations. But this does not preclude the need for other forms of networks such as franchising networks, which are desirable in Bulgaria, as well as appropriated co-operations between individual business operations. The need to establish a sectoral association in the individual countries is attributable to the fact that there is no appropriate institution in most countries. The companies and players operating in the second-hand sector frequently have to fend for themselves. This in turn results in the fact that it is hard for them to improve their image in the public and to effectively represent their interests' vis-à-vis the political realm.

The determination of the need for networks within the framework of national expert discussions has shown that the second-hand sector and the companies operating there have the same requirements for a possible association. In addition to the main goal of image enhancement and the representation of their interests' vis-à-vis authorities, ministries and other relevant players, they also see a vast number of other advantages for their company in this form of representation. Amongst other things to be mentioned here are: provision with sector-specific and technically-specific information (e.g. via mailings, info sheets, newsletter), promotion of the exchange of views, support with the formation of special co-operations (e.g. sales, marketing) presentation of the companies in the public (e.g. through a common logo), access and support with qualification measures, development of common quality standards as well as the support and consultation with regard to legal and organisational questions. Such a corresponding association should not merely take on informal tasks, but also implement practical activities such as the planning of sector-specific workshops and specialised conferences, implementation of advertising events (e.g. trade fairs), determine product procurement sources and conduct market analyses.

In general, the establishment of national associations should happen against the background that the member companies profit from such an association. The reason for this – that despite the need for networks, no associations were able to be established to date in the individual countries – lies in the lack of initiative of the companies as well as the scarce personnel and financial resources which are available to the individual companies as well as the low significance of the sector in the whole economy. In some countries, the political jurisdictions for the second-hand sector and its concerns are not straightforward. The second-hand sector partially falls within the sphere of responsibility of environmental ministries, but partially also in the sphere of economic ministries as well as – in view of the not-for-profit enterprises, which are for the most part active as job creation companies – in the sphere of labour ministries. In order to initiate an appropriate association on a national level and to establish it on a long-term basis, firstly it requires time and a personnel expenditure, and secondly also necessary know-how. Since possible subsequent member companies are not willing to provide contributions for the development of a network without directly having a benefit from it (this ensues only with the start of association work), a governmental promotion would suggest itself with regard to the development and the establishment of an association. This should and could occur under the aspect that in the future the individual states should devote themselves more strongly to the environmental problem (e.g. waste avoidance through reuse). On the other hand, the necessary know-how for the development of an association within the countries could occur by means of know-how transfer from countries in which association-similar structures are available. In this connection the European Commission would be called upon in a supportive manner, in which case it provides financial means on the one hand, and on the other hand promotes teamwork between experienced and inexperienced players. The support through the European Commission should also occur against the background of the establishment of a European network for the second-hand sector. In order to represent the interests of the second-hand sector in the individual countries vis-à-vis the EU and to be able to influence the legislation, it is advisable to establish a European umbrella organisation which bundles the national networks or associations. This procedure is also to be welcomed against the background of increasing cross-border trade, in which the second-hand sector will also be more strongly involved on a long-term basis. For instance, a corresponding European umbrella organisation could serve as an interface between the European Commission and the national organisations in the second-hand sector. As a result, for one thing the transparency and for another thing mutual feedback would be promoted so that the sector could receive more consideration in the circulation of promotional programmes and the allocation of promotional funds, which would benefit its future professionalisation.

In order to establish long-term and sustainable associations on a national level and a possible umbrella for the second-hand sector on a European level, these would have to be clearly structured. The proposal submitted by Austria – to create a central administration with various bodies – can be taken into account in this connection. The creation of a central administration which implements the various aforementioned tasks within the association is imperative. And the experiences of countries in which larger networks already exist (even if not explicitly for the second-hand sector) also show that such an entity needs a central and executive body/centre. For instance, it would be useful if a corresponding association has an executive board which is comprised of a small number of members, as well as a

chairman who represents the association. There should also be an executive managing director for the operative execution. On the other hand, the member companies support the association and through their membership fees ensure that the work of the association is kept afloat and it can realise its offers. In order to be a member within the association and thus to ensure the quality, it is necessary that the members meet certain prerequisites for admission into a membership status. Commensurate criteria are to be specified upon the establishment of an association, irrespective of which level, at the start of the initiation of the association. In conclusion, an advisory board should accompany the activities of the association.