LEONARDO DA VINCI – program of European Commission:

Second Hand Sector Analyses in Finland

Tervatulli Oy/
Annukka Jarva
4th of May 2007
5 WORK TASKS, INITIAL TRAINING AND FURTHER TRAINING STRUCTURES

5.1 Work task structure and work coherences ............................................. 27
5.2 Qualification structures and training ....................................................... 28

6 BEST PRACTICE CONCEPTS AND QUALIFICATION CONCEPTS ........... 30

6.1 Approach .................................................................................................. 30
6.2 Success and sustainability of the concepts .............................................. 31

7 SUMMARY AND DISCUSSION .................................................................... 32

ANNEX 1. REFERENCES: Interviewees

ANNEX 2. REFERENCES: Research material
DEFINITION OF THE SECOND HAND SECTOR AND ITS CHARACTERISTICS IN FINLAND

1.1 Definition and delimitation of the sector

The second hand sector is a fairly new concept in Finland. Hence, it’s more than essential for this Leonardo project of second hand sector analyses to first focus on the definition of second hand and its limitations in this project. In addition, it’s also important to define the concepts like sales/retail, reuse and recycling which are closely related to the concept of second hand. All these concepts were defined by the interviewees before starting to ask questions about the second hand sector. By doing this, we could ensure that the meaning of these concepts was similarly understood by the interviewer and the interviewee. The interviewees had quite similar opinions about terms and their meanings, but there were some different views as well.

In Finland the terms like reuse and recycling are not necessary clear to all – at least not among consumers. Their meanings can vary quite a lot depending what you want to stress. One reason for this variety of meanings is maybe because second hand sector is also related to many other sectors. For instance, concepts like “eco business”, sustainable development –issues, car part sales or other recycling businesses are close to the second hand sector as well.

In this project the building and construction sector, used cars by automobile sector and antique are not included because they are in the interface with another sector. They form a sector of their own or in some cases they are covered by other sectors (Research Design Second Hand 2006). However, in many interviews made for this project, it became clear, that for example construction and building sector is quite prominent within the second hand sector (at least in Finland). There were remarks made by interviewees that for example from consumer need, there has emerged “Building Material Pharmacies” where you can buy all the needed material and spare parts for renovation or construction of your own house. In these Pharmacies, material that is being sold has become useless in consumers construction work (Nikula, 12.2.2007; Rakennusapteekki, 15.2.2007). But to follow the guideline and to keep the report in control we didn’t include the building and construction sector in this analysis.

It’s obvious that the second hand sector is very multidimensional and there are also many kinds of business concepts. To make work processes simpler, different kind of repair work shops and auction portals are also excluded from this sector analysis (Research Design Second Hand 2006).
In figure 1, you can see the definition of terms: sales/retail, reuse, second hand and recycling. This definition is taken from Wikipedia (Reuse, 22.2.2007) and also shared by most of the interviewees: “Reuse is using an item more than once. This includes conventional reuse where the item is used again for the same function and new-life reuse where it is used for a new function. In contrast recycling is the breaking down of the used item into raw materials which are used to make new items.

Concepts like sales/retail, reuse, second hand and recycling are defined and declared in relation to each other in different boxes in figure 1. First there’s of course sales/retail of products, which is in many cases called first business (Niukkanen, 5.1.2007). As already said, when a product becomes a waste and it is repaired or reformed the process is called reuse. However, according to Poikela (5.2.2007) and Virtanen (6.2.2007) in reuse the item is used again for its original purpose. When the item is been put in to
peaces and the materials are separated it is called \textit{recycling}. \textit{Second hand} comes to the picture when you are talking about \textit{selling or buying the used item in its original form}. Second hand can be called reuse of non-waste (Niukkanen 5.1.2007; Poikela 5.2.2007).

The second hand sector in Finland includes all kind of textiles, children toys and other goods, electronic equipment, household appliances, furniture, books and sound storage media. Computers and other electronic appliances are included in this sector as well, although they might be put in to peaces and assembled from the components into a new-life reuse. The components of the computer or mobile phone are \textit{in their original form} and that’s why they are not excluded from the second hand sector.

The last concept \textit{recycling} refers to material recycling, especially when you are speaking “professional language”, for example in recycling business of electronic appliances. However, in “common language” among consumers, you can hear people talking about recycling, when they actually mean reuse or second hand sales of textiles, electronic appliances, furniture and so on. In this report we lean to “official definition” of Wikipedia and use the term \textit{recycling} for materials. We use the term \textit{reuse} according to Poikela and Virtanen that it is a used item that has become a waste and it is used again for its original purpose.

1.2 Different dimensions in the second hand sector in Finland

As already said, in Finland the second hand sector is not only a new concept but also very multidimensional; in other words without strict limitations or any settled norms. When it comes to environmental affairs which are also related to second hand sector, we have clear legal stipulations in Finland because environmental affairs have already become quite an essential part of modern Finnish economy.

Second hand sector has also different dimensions in different environments. In figure 2. we have tried to illustrate the most important dimensions of the second hand sector. The first dimensional differences exist between \textit{urban environment} and \textit{countryside}. For example, second hand shops in Finland are more developed in urban environment than in countryside. On the other hand, in the countryside the flea markets are often functioning pretty well considering the resources they have in their use. Flea markets are usually organized by sport clubs, other kind of organisations and also the church is active player in flea markets. Flea markets can even be held by villagers in town villages.

There are also some differences between \textit{the southern Finland} and \textit{northern Finland} what comes to second hand sector. In northern Finland it’s not very profitable to practise reuse business because of the volume differences and transportation distances compared to southern Finland. There are also more second hand shops in southern and
western Finland than in eastern and northern Finland. We are going to present some actors in WEEE business in northern and southern Finland by interviewing their representatives within this sector analyses.

In figure 2. we have illustrated the field of the second hand sector. The dimensions have been divided first to urban environment and countryside, northern and southern to look at the differences geographically in the second hand sector. Secondly, we have divided the scene of the second hand sector to private, public and third sector. This is because these three sectors have their own influence in the second hand sector and they have differences in organising their businesses. Government is for example influencing the sector by subsidies and legal stipulations. There’s also a difference between private sector and third sector organisations. For example, private companies are profit seeking units in society while the non-profit organisations are usually seeking public good. We try to look also is there connections and cooperation between these actors. The development of the second hand sector requires different actors to cooperate and strengthen the employment structures and networks within the sector.

1.2.1 Waste electric and electronic equipment and social enterprises in Finland’s focus

If we think about the aims of this project, one the most important aim is to focus on the development of the second hand sector, and especially the employment possibilities for
the disabled and long term unemployed people. To develop the sector, we try to find the best practices which have been tested in action in different kind of organisations. By doing so, we can verify the practices that are really worth implementing. Also the new innovations and development of methods in vocational training are important for this project.

As we have interviewed several key persons in the second hand sector in Finland within this Leonardo-project, we believe that in Finland, could be found some good examples in Waste Electric and Electronic Equipment reuse (WEEE). That’s because in Finland the producer responsibility has become part of the Finnish Waste Act, and the companies have been obliged to organise their business to obey the law. Pirkanmaa Environment Centre is an official authority and it is supervising the implementing of producer responsibility. Approximately 90% of the producers are obeying the producer responsibility (Virtanen 6.2.2007). Although there are still many things to develop for example in collection net work and producer entities’ cooperation, Finland is thought to be a country where the producer responsibility has been put in to practice quite fast. Development of the WEEE directive has been activating the WEEE reuse and recycling business (Poikela, 2006; 5, 28)

WEEE reuse and recycling business is practised by different kind of actors. There are for example some big listed companies (Plcs), some actors in the third sector and some social enterprises. There are also some private persons who buy large amounts of WEEE and sell them further on. (Niukkanen 17.4.2007.) Nevertheless, considering volumes of the social enterprises, they account for quite a small part of total turnover of all WEEE companies in Finland (6.2.2007 Virtanen). In other words, some big companies have a quite big share of the WEEE market.

We will also focus in a Finnish model of a social enterprise in this report. That’s because it differs from other European countries as it operates like a normal firm. It is interesting also because the modified Act on Social Enterprises is coming to force in the beginning of May 2007 (Työministeriö, 2007). There were 76 registered social enterprises in Finland by the end of the year 2006. A large part of the social enterprises are in the area of Pirkanmaa (Saikkonen, 2007.) In the beginning of April 2007 there were almost 100 social enterprises and they employed 430 people from whom 160 were disabled and 50 long-term unemployed people (Työministeriö, 2007). Only some of them are operating in the second hand sector but it could be one possible sector to employ more disabled and long-term unemployed people.

In addition to this, we will present big players in the second hand sector like recycling centres, Red Cross Recycling Department Store Chain, Salvation Army and UFF. They have big volumes and they are also important employers.
1.3 Research material

1.3.1 Interviews

We have interviewed 15 key persons face to face and made one phone inquiry in the second hand sector. We tried to choose the interviewees from different kinds of enterprises, associations, non-profit organizations and projects. Three of them are working with legal stipulation – Saikkonen as a secretary in coordination group for the implementation of Act on social enterprises and Nikula with sustainable consuming and production – both in the Ministry level. Virtanen is working in Pirkanmaa Environment Centre, which is controlling and supervising producer liability in Finland. Poikela is a representative of Service and Administration Company EIKER Ltd. which is organizing the collection and distribution of WEEE for their producer entities FLIP, ICT and SELT Associations. Heikkilä is coordinating cooperation project of social enterprises SYTRIM in the University of Oulu. Then there are representatives of social enterprises: Kallio is Manager in Ekokaarina Association, Niukkanen is Manager in Neo Act Ltd. and Korhonen is Manager in Bovallius Palvelut Ltd. Kainulainen is Manager of Personnel in The Friends of the Young Association where Tervatulli Ltd. is part of the corporation.

In the second hand sector also the non-profit organizations are big players. In the recycling centre Pääkaupungin kierrätyskeskus we interviewed the manager Lehtikuja, in Red Cross Department Store Chain the manager Haaranen and coordinator Eskelinen. In Salvation Army we interviewed Silander, the manager of the flea markets in Helsinki. In UFF Association we interviewed Auravuo, Co-operation Manager in clothes collection. In addition to these, we interviewed Development Manager Kujanpää in VATES Foundation which is supporting the employment and vocational training of people with disabilities and other disadvantageous groups. Pöyhönen was interviewed because she is working as Project Manager in EU project HOT, in which the purpose is to establish more social enterprises to welfare sector and help those in vulnerable labor market position to enter working life. The phone inquiry was made to Hakola, manager in Romotke Foundation, which is organizing work activities for disabled and other disadvantageous groups.
1.3.2 Publications

We found quite many journals of important organizations that were somehow related to issues we covered in this report. There were also some publications about social enterprises and second hand sector made in the Ministry level. Then there were different kinds of presentation material from the companies we have interviewed for example annual reports and their own statistics. There’s also a lot of material on the internet for example about the legal stipulations of the social enterprises, WEEE, etc.

1.3.3 Statistics

There wasn’t many statistics or surveys considering the second hand sector. However there’s some statistics and surveys made, that are somehow in connection with the issues covered in this report. Statistics Finland has got figures about the second hand stores in 2005 but the outdoor flea markets are not included there. Also organizations that have flea markets occasionally or have some other business field as their main business area are not included. So, we can’t consider them to be very accurate but to give a some kind of overview, we are presenting them in this report. There is also statistics about social enterprises that we are going to present.
SECOND HAND SECTOR STRUCTURES AND BUSINESS FIELDS IN FINLAND

Second hand sector is, according to many interviews, not only spread to different business fields but also to different business forms in Finland. Second hand is often associated to all kind of recycling business, and it’s not very consistent sector. First we will describe characteristics of the second hand sector and structure of the companies. Then we are presenting the most essential business fields in the Finnish second hand sector and estimated future development for the sector.

2.1 Sector structures and structure of the companies within the sector

There isn’t a comprehensive statistics found about second hand sector in Finland so it’s quite difficult to get overview for the whole second hand sector. Statistics Finland – biggest organisation doing statistics in Finland – has considered second hand sales in their statistics about retail in Finland (2005): second hand retail sales is divided in three categories: antique, second hand book and sound storage media sales and other second hand sales – no motor vehicles included. Indoor flea markets are included here, but the outdoor flea markets are excluded from statistics. If we want to exclude antique, the employment and company figures in 2005 were: 1258 employed and 753 outlets (company can have several outlets). About the economic development we can only state that the total turnover was 77 417 thousand euros. Unfortunately there were only registration figures for the year 2006, so they might not be accurate but it seems that the sales in the second hand sector is increasing. We have to remember that many sport clubs and other organisations have occasionally flea markets but they are not included because it’s not their main business area.

According to report of Ministry of Labour (2003) the second hand sector is divided to different kind of business forms: There are flea markets, recycling centres, second hand selling and buying stores and organisations specialized in textile collection/sales. Additionally there are auctions and pawnshops that are not included in this analysis. Typical Finnish second hand shop seems to be a small private enterprise selling books or cd:s and lp:s or textiles or other goods like electronics. Quite many interviewees noted that in the second hand sector, most of the enterprises are small – some are medium sized. So they don’t account a very significant part of the whole economy. That’s maybe one reason why there are no statistics covering the whole second hand sector in Finland.

There are a couple of big non-profit organisations like UFF, Red Cross Department Store Chain, Salvation Army flea markets and recycling centres which are bigger
organisations. Pääkaupunkiseudun kierrätyskeskus, which is a biggest recycling centre in Finland, has got 130 employed totally in all of their outlets, and they have quite big premises in the centre of Helsinki (Lehtikuja, 12.2.2007).

**Recycling centres** aim to minimize the waste and consumers need to buy new products by promoting reuse. They are non-profit organisations and usually they are built up and funded by the municipality or some private companies or organisations. They usually have textiles, toys, sound storage media, books, furniture and electronic equipment in their collections. They also have environmental counselling for consumers and enterprises. (Työministeriö, 2003.)

Social enterprises are still a small part of the second hand sector: Approximately 10 social enterprises are operating in the second hand sector. Some of them have been specialized in WEEE business but few of them sell also textiles, toys, books and sound storage media (Sosiaalisten yritysten rekisteri, 2007). In general, there are more specialized second hand stores in bigger cities than in the countryside, but flea markets are spread quite well also to smaller towns and countryside.

If we look at the regional division of second hand shops (Finland Statistics, 2006) from the 895 second hand shops 399 are in the county of Southern Finland, 337 are in the county of Western Finland. In the county of Eastern Finland there are 89 second hand shops and together in the counties of Oulu and Lappland there are only 78 second hand shops. We can see that the second hand sales is more focused to Southern and Western Finland, but we have to remember that this statistics doesn’t show the comprehensive picture about the whole second hand sector. The division is also quite natural because majority of Finland’s population is living in southern parts of Finland.

### 2.2 Business fields

The division of the second hand companies to different business fields wasn’t found in statistics. There were only figures for second hand books and sound storage media (Antikvariaatti) which was their own entity. The most essential business fields, that are presented here, are household appliances and small electrical appliances; textiles and toys; furniture; books and sound storage media.

#### 2.2.1 Household appliances and small electrical appliances

We don’t make a difference between household appliances and small electrical appliances. It is hard to draw a line between these two so that’s why we are presenting
them together. In this analysis we use the term WEEE when talking about all electric and electronic appliances.

The WEEE reuse and recycling is regulated in the Finnish legislation under Finland’s Waste Act on producer responsibility and a Council of State Decree on Waste Electrical and Electronic Equipment (WEEE) (Pirkanmaa Environment Centre, 2007). There’s a nation wide network for collection points of WEEE, because all the producers are obliged to organise separate collection of WEEE that can be collected. There are five producer entities: FLIP, ICT and SELT, SERTY and NERA Associations that are taking care of their producer members’ electronic waste management. Elker Ltd. covers FLIP, ICT and SELT; it is actually a Service and Administration Company established by producer entities FLIP, ICT and SELT (Elker Ltd, 2007). It’s a biggest entity in collection and recycling of WEEE with about 750 producer members. It is organizing the collection and distribution of WEEE to companies which are geographically near the collection points and are able to handle and sell it further on (Poikela, 5.2. 2007).

As already said, in Finland the producer responsibility and the WEEE directive have been put in to practice quite fast. That’s one reason why this field of household and small electrical appliances has increased their share of the second hand sector in Finland significantly. According to Kallio for example, in Ekokaarina’s business this field accounts for about 25 % of their turnover. Then there are other social enterprises like Tervatulli Ltd. and Neo Act Ltd. who are concentrated just in WEEE business. In social WEEE enterprises they put equipment in to pieces manually, repair and sell equipment like computers and all kind of household appliances like fridges, freezers, electric cookers, washing and dish washing machines, TVs, digital TV sets, videos, microwave and regular ovens, etc. Consumers can bring their old or useless WEEE to the collection points which have to be found in every municipality. The collection points are usually located where it would be easy to bring the WEEE by car or also by bus.

There is also cooperation between the social enterprises that are practicing WEEE business which we will present in chapter 3.2.3. Many of these actors in WEEE business sell their items not only in Finland but also to other countries (Kallio 1.2.2007, Kainulainen 29.3.2007), so they don’t only have regional and national but also global markets in this business field.

Social enterprises have as their competitors big listed companies (Plc:s). These big companies are focused on machinery dismantling where as social enterprises operations are based on human work force (Kallio 1.2.2007).

Some recycling centres like in Helsinki, Pääkaupunkiseudun kierrätyskeskus also service and sell used computers and other electrical appliances as one of their business fields. Lehtikuja from Pääkaupunkiseudun kierrätyskeskus says that the demand for electrical appliances like computers is so big that they don’t have enough appliances to offer.
In northern Finland there’s a chain of five foundations called Ekoterminal which are collecting and doing pre-treatment of WEEE. One of their important purposes is to arrange work possibilities for long-term and disabled people. Some of the WEEE goes to material recycling but part of the equipment goes to reuse as well. (Ekoterminal 10.4.2007.) The Manager of Romotke foundation Hakola says that this Ekoterminal Chain is logistically working well. They have an information system that helps to control and for example account for the amount of WEEE that they collect. He also notes that they are quite a big employer: for example in Rovaniemi region they have about 250 employees in Romotke foundation from whom 30 are in permanent jobs and the rest are long-term unemployed or disabled people. Romotke has also other activities like EcoCenter store in Rovaniemi where they sell household appliances, textiles and furniture (Ekoterminal 10.4.2007).

In summary, there are many kinds of actors in this business field. There are for example social enterprises whose only business field is WEEE reuse and recycling business, some who have WEEE as one of their business fields. Also many recycling centres receive and sell WEEE as one of their business fields. Then there are some big listed companies who are mainly practicing recycling of WEEE materials and cover large share of the WEEE market.

2.2.2 Textiles and toys

Used textiles are collected and recycled mostly by big international humanitarian non-profit organisations like Salvation Army flea markets, Red Cross Recycling Department Store Chain and UFF. People can bring their old clothes and other goods to collection points in bigger cities and towns. Although they all work in humanitarian work they have different kinds of business concepts and methods.

UFF Finland (U-landshjälp från Folk till Folk in Finland) is a humanitarian non-profit organisation whose purpose is to help and support development in the poorest countries and at the same time support the recycling system in Finland. These goals are reached through collecting the clothes in reuse purposes and donating the clothes and profits to development projects. UFF collects the clothes, other household textiles and shoes in 118 municipalities in southern Finland with about 900 container sites. In 2005 they collected textiles about 5,5 million kg (UFF, Annual Report 2005). UFF Finland is running 9 second hand shops: 6 shops in Helsinki two in Tampere and one in Turku. (UFF, 2007.)

Red Cross Recycling Department Stores are operating in 8 cities in Finland. The Recycling Department Stores are under the central administration in Jyväskylä and they are spread to all parts in Finland but not in the capital area. 50 % of profits go to Red
Cross work in the cities where they operate, 25% goes to Red Cross crisis fund and 25% to develop their recycling department stores. (SPR, 2007). In 2001, recycling department stores really started to develop their business as more professional way and expand their operations. Their biggest business field is textiles being about 40% of the turnover. Furniture accounts for 20% of the turnover and the rest is other household items like dishes. At the moment the volumes are really big; they receive about 10,000 kg items/week. (Haaranen 13.4.2007.)

**Salvation Army** has 24 flea markets in all parts of Finland. They have basis in Christianity and the prior idea is to help fellowmen. In addition to flea market sales they also give donations to poor people. Mostly they have textiles in their collection but there are also some furniture and other house hold items. (Silander 16.4.2007).

Textiles and toys are also sold partly in **private flea markets**. In many places you can rent a table for a week and you can leave your selling items there, because there is supervision held by the company or organisation, which is organising the flea market. Also many churches or sport clubs organise their own flea market. Other players in this field are **recycling centres** like Pääkaupunkiseudun kierrätyskeskus which have also lot of textiles and toys.

There are few **social enterprises** like Ekokaarina who are operating in this business field. Textiles in second hand shops are usually organised to different sections for children, women and men. But like in Ekokaarina they account normally for a smaller part of the turnover compared for example to WEEE or furniture (Kallio, 1.2.2007).

### 2.2.3 Furniture

There are few stores that have specialized to only sell used and old furniture – which is not antique. For example in Helsinki, Turku, Tampere and Jyväskylä, the sales of furniture is focused especially on season workers and students, who move from different places for shorter time periods and need cheap furniture.

Used furniture are also sold in flea markets and second hand stores which have other business fields like textiles, toys and household hold appliances as well. They are quite a big part of the sales in Ekokaarina for example. Many recycling centers like Pääkaupungin kierrätyskeskus have also furniture in their collections. In the Red Cross Recycling Department Stores the sales of furniture is increasing all the time (Haaranen, 13.4.2007). These kinds of stores are mainly found in bigger towns and cities.
2.2.4 Books and sound storage media

Books and sound storage media is usually sold in second hand stores that are specialized just in books and magazines, or sound storage media like cd:s and lp:s. We have in Finland a special name for them: Antikvariaatti. In 2005 there were 180 these kind of second hand stores, 141 employed and they accounted for turn over of 15 923 thousand euros (Statistics Finland, 2005). These kinds of second hand shops are often found in bigger cities and towns.

Flea markets, recycling centres and other second hand shops also have books and sound storage media in their collection. In Pääkaupunkiseudun kierrätyskeskus, they have hired an expert in literature to estimate the value and prices of books (Lehtikuja, 2007). There are also few social enterprises in this business field (Sosiaalisten yritysten rekisteri 28.3.2007.).
3 EMPLOYMENT STRUCTURES AND CHARACTERISTICS OF THE SECOND HAND SECTOR

As we have this far described the characteristics and structure of the companies, we now turn to the employment issues more specifically.

3.1 Employment figures, levels, and structures in companies

According to Finland Statistics in 2005 there were 1258 employed in second hand stores (antique, outdoor flea markets and motor vehicles not included). In average, there were 0,8 employed/outlet in second hand book and sound storage media stores and 1,9 employed/outlet in other second hand shops. (Finland Statistics, 2005) We have to remember that there isn’t all second hand sales included because of the statistical difficulties, but we can see that it is still a quite small sector and the companies are typically small enterprises.

In private companies and second hand stores there might only be one person who is taking care of the economic affairs like accounting and all the organisational affairs. Then there is typically one other person who might be working part-time in the store.

In bigger textile collection organisations there are several persons working there full time. In UFF, 60 % of the employees working full time and 40 % are working part-time. Totally, they had 163 employment contracts from which 120 were permanent jobs. There isn’t any long-term unemployed or disabled employee hired by government subsidies in UFF. (Annual Report 2005; Auravuo 17.4.2007). In Red Cross Recycling Department Stores there are about 50 employees/store which are hired by governmental subsidies. There are 28 foremen working full time in these stores. In Salvation Army’s flea markets there are about 100 workers and part of them is hired by wage subsidies. Recycling centres can also have quite many employees and many of them are hired by governmental subsidies. There were approximately 200 employed in 100 recycling centres in Finland in 2003 (Työministeriö, 2003). In Pääkaupunkiseudun kierrätyskeskus for example there’s about 100 employed through governmental subsidies, then there’s 27 employed paid by the organisation and 3 project workers with project funding. According to representatives of different enterprises and organizations, employees were quite equally divided in all age groups.
3.2 Employment of disabled and long term unemployed people in social enterprises

As one aim of this project is to improve the employment of disabled and long term unemployed people, we think it’s important to present different kind of models of employment for disabled and long-term unemployed people. We are next presenting Finnish model of social enterprise.

In Finland the Act on Social Enterprises came into force 1st of January 2004. The Act supported the placement of the disabled and long-term unemployed. Finnish social enterprise is like all the other private companies and it is paying normal wages to employees. The only difference is that there has to be 30 % disabled or long-term unemployed of the employees. For social enterprise it is also possible to get wage subsidies and subsidy for the arrangement of working conditions from the government to hire disabled or long-term unemployed people. (Sosiaalinen yritys, 2007)

Unfortunately the Act has not fulfilled the expectations to provide job opportunities for disabled and long-term unemployed and that’s why there are coming chances to this Act in the beginning of May 2007. By modifications the wage subsidy is improved and also the length of the higher wage subsidy level is increased. (Sosiaalinen yritys, 2007; Saikkonen 2007). Some representatives were precautious about the improvements by modifications made on Act. Kainulainen for example noted that for educated employees there are improvements but those who are in weaker position don't benefit from the modifications that much.

According to estimations there are about 430 employed in social enterprises, of whom the half represents the target groups (Sosiaalinen yritys, 2007). Social enterprises are typically small enterprises, especially those who have registered in two last years. In 2004, when the first social enterprises were built up, the average amount of personnel was 18.0. However, in 2005 the average amount of personnel was only 3.7 and in 2006 the average was just 2.4. (Saikkonen, 2007.) Usually there are only few foremen in social enterprises like in Tervatulli Ltd., but at least one for each business field (Kainulainen 2007). In Työ ja Toiminta Association and Neo-Act Ltd. there are totally 120 employees. Majority of them are working in Työ ja Toiminta. There are 15 in permanent jobs, 40 with temporally limited contracts and the rest are hired by wage subsidies (Niukkanen 17.4.2007).

All of the interviewed representatives of social enterprises had additionally couple of project workers funded through some other institute like EU or government as their employees.
3.2.1 Possibilities for disabled and long term unemployed workforce in labour market

There is a long tradition in Finland of all kind of employment centers, associations or other non-profit organizations for unemployed before the first social enterprises were established. These kinds of employment organizations will presumably carry on as one model of employment aside social enterprises. Non-profit organizations have also got subsidies from the government for hiring long-term unemployed or disabled people. It is obvious that government has to support all kind of potential employment models also in the future because there are lot of long-term unemployed and disabled people, who might be suffering mental problems and alcoholism too.

Many of the interviewees thought that subsidized work in social enterprise or some non-profit organization is a good way to get long-term unemployed and disabled people “back to society” – get some kind of programmed life for them. Although social enterprises should act as stone foundation to get the long-term and disabled people to labor market, it is not easy. Kallio states that there is evident discrimination towards older people for example. The employers might not think experienced work force as an advantage – they are afraid to hire older people who might get retired quite soon. But they have also had good experiences in a special project Troikka where they search jobs in the labor market for people who have been in rehabilitative work activity. Korhonen notes that for long-term unemployed or disabled people if they don’t have any professional skills, it is quite difficult to get a job in the labour market. Kainulainen has also experienced that it is very challenging to get employees back to the labour market.

In research made by Labor Ministry (Ala-Kauhaluoma – Härkäpää, 2006) about private service sector as an employer of disadvantaged people, they found that from 2189 companies 55 % had hired disadvantaged people in the last 12 months. The biggest group was young people without vocational education (44 %), there were long-term unemployed (22%), immigrants (18%), but only few disabled with a psychological or physical defect (2-4%). Also the questions made about attitudes of employers showed that they were not very eager to hire disabled people. One reason for this was that they felt that it could have a negative impact on company image and also they thought that disabled are not effective enough or it is difficult to estimate the qualification of the disabled people. Additionally, the employers didn’t have enough information and support in hiring disabled people. The improvements for the employment of disabled people were thought to be more possible with economical incentives and elasticity of the conditions in working contracts.

To sum up, according to interviewees a subsidized work period is good way to get people back to society but it is very challenging to get unemployed back to labor
market. One reason is the attitude and discrimination of the employers towards long-term unemployed and disabled people.

3.2.2 Significance of vocational training in social enterprises

Many of the interviewees stressed the significance of vocational training in social enterprises so that it would act as canal to long-term unemployed and disabled people to labor market. Some interviewees specially stressed that there has to be right kind of work tasks for employees considering their abilities to develop their skills in work. Some noted that there has to be enough guiding and training for all of the employees. According to Lehtikuja (12.2.2007) there’s also a need for more resources so they could put effort on additional training. At the moment, only basic training and orientation can be arranged for employees.

In Bovallius there is an interesting model of vocational training. They have a vocational school in connection with the social enterprise Bovallius Palvelut Ltd. In school they have a lot of vocational training which happens partly in the social enterprise. After graduating the school many of the students start working in the social enterprise. The school is established and funded through Bovallius foundation. The original idea was to build a vocational school for deaf girls but nowadays there are all kinds of students in the school. The aim is that the school would have premises in the same building where the company is operating. (Korhonen, 12.3.2007.)

3.2.3 Network structures, cooperation with partners, international associations

There is no head association for the second hand sector in Finland, so there aren’t any network structures which would be unifying the whole sector. However, there are associations and other cooperation for example in the field of social enterprises or in reuse business. We give couple of examples first and then we present also some associations and cooperation projects from the field of reuse business.

VATES Foundation, which was established in 1993, is an organization of experts in promoting employment and vocational training of people with disabilities and other disadvantageous groups. The foundation has 35 background organizations. These are nation-wide disability organizations as well combinations of municipalities of special welfare and labour services providers. VATES maintains networks of actors in the field of special employment and lobbies for legislation, labour market and rehabilitation systems. Their work includes development of employment methods, training and
consulting, research and projects. VATES also maintains the website for social enterprises in Finland where you can find all the information about social entrepreneurship (Sosiaalinen yritys, 14.3.2007). VATES is also member in several international organisations like Workability International, European Union of Supported Employment (EUSE) and Confederation of European Social Firms, Employment Initiatives and Social Cooperatives (CEFEC). (VATES Foundation; Kujanpää 19.4.2007)

For the development of social enterprises and their sustainability, there is an important forum called SYFO in Finland. It is quite unique because there are lot of experts from economic life, associations, research field and politics contributing the development of social enterprises. They published a special manifest in 2005 supporting the development of social entrepreneurship. The manifest covered lot of issues like the development of the legislation on social enterprises and the cooperation between government and social enterprises. (Manifesti Sosiaalisen Yritystoiminnan edistämiseksi Suomessa, 2005; Eveliina Pöyhönen 20.4.2007.)

There are also a lot of projects in Finland promoting social entrepreneurship and we are presenting here one of them. SYTRIM project belongs to Equal initiative which is funded through European Social Fund (ESR). SYTRIM is focusing on the development of social enterprises in recycling and reuse business. It aims to deliver best practices for social entrepreneurship. It also forms a transnational partnership called SerraNet with other five Equal-projects abroad. There are six Finnish social enterprises doing WEEE business that form together SYTRIM-partnership. For example, these organizations in cooperation, aim to obtain an environmental certificate in compliance with ISO 14001 standard. SYTRIM is coordinated by the University of Oulu, Learning and Research Services. Within the project, business plans of social enterprises will be evaluated to identify best practices. (SYTRIM; Heikkilä 28.3.2007.)

In addition to projects, in WEEE business there is also associations as a one form of cooperation. SEKY is Association of Finnish Electrical Waste Recyclers which has got a nation-wide network of social economy actors with 14 members at the moment which are offering electronic and electric waste recycling services for producers and importers under WEEE directive (Kallio 1.2.3007). Their methods give emphasis on repairing and reuse instead of dismantling and materialistic recycling, whenever it is possible. The members of SEKY are giving a lot of places to work for the unemployed people. There were about 1150 people working at the member organizations in the year 2005. (SEKY 2.4.2007.)

SEKY is also member in international network Re-use and Recycling of European Union Social Enterprises. RREUSE is a specialised European network of national and regional social economy federations and enterprises with activities in re-use and recycling. (RREUSE, 2007.)
Among recycling business one of the most important networks is head association for recycling centres: Suomen kierrätyskeskusten yhdistys ry (Skky) (Juha Lehtikuja 12.2.2007). Its purpose is to act as a special-interest group for recycling centres towards authorities and support the compliance with Waste Act. It is also supporting the progress of professional skills among member organisations and their employees (Suomen kierrätyskeskusten yhdistys ry).

Here were only few examples of the cooperation models in Finland. Anyway, almost all of the interviewees thought that national and also international cooperation is very important to find out the best practices, and combine forces especially for smaller companies. Although some of the interviewees also noted that sometimes these kinds of projects and all the meetings take so much time that the management doesn’t have enough time to take care of their own business. Anyway, the overall picture about the cooperation, networks and projects is quite positive among interviewees.
4 DEVELOPMENT OF THE SECOND HAND SECTOR

4.1 Trends and forecasts for the future development

Almost all of the interviewees think positive about the development of the second hand sector, although some of the interviewees were precautious in their estimates.

Lehtikuja (12.2.2007) for example noted that during the recession people bought more clothes and other goods in flea markets because they couldn’t afford more expensive clothes. Then again, nowadays “retro thinking” and all kind of “tuning of old cars and furniture” has become a trend, so it’s interesting to see if there is a permanent change in consumer attitude. Heikkilä (28.3.2007) reminded there are several TV programs made about flea markets and tuning of furniture that have also influenced positively on peoples’ attitudes about second hand items.

Nikula (12.2.2007) reminded of increasing tuning and eco design business as well. She stressed a lot of “life cycle of products”-thinking that has emerged in the past few years. It is important to think about the beginning of life cycle of products: Products should be planned to be sustainable so that there would be less waste. Nowadays, for example amount of electronics is increasing all the time, but the equipment are planned to function only few years. Silander from Salvation Army (16.4.2007) was also concerned about the quality of items that are nowadays made with lower expenses in development countries. Nikula estimated that the legislation on sustainable production planning will be developed more and more in the future.

Kallio thinks that the economic significance of the second sector is growing because of the development of consumer society. By this, he means that we produce all the time more and more waste, so we have to do something about it. And because more people are thinking “environmentally friendly”, second hand items will become more wanted and approved. This development is seen, according to Kallio, for example as an increasing amount of customers in Ekokaarina. Korhonen believes also in the development of the second sector because of the ideological reasons. He reminds that there is also one other reason for the development: There are lots of people who just can’t afford classy and expensive clothes or furniture. These kinds of potential customers might be students, season workers, immigrants, refugees or other disadvantaged people.

Eskelinen (13.4.2007) from Red Cross Recycling Department Store Chain says that people are satisfied if they can help the environment by donating and buying used items and knowing that the organisation also invests to development projects in the poor
countries. Auravuo (17.4.2007) thinks that the meaning of the work their company does in the development countries is also very important to employees.

It seems that according to interviewees, one of the most important things for the development of the second hand sector is consumers’ changing attitudes towards environment and second hand. Many of the interviewees also stressed the importance of net working inside the country but also globally through associations as a key for the development of the second hand sector. Cooperation with other companies can save some expenses, especially in smaller companies, and bring out new ideas about business models.

4.2 Development trends within the companies

4.2.1 Organization and management

There are different kinds of organisations in the second hand sector. Big organisations like Red Cross, UFF and Salvation Army have more people in their management and they have bigger organisations to run. Nevertheless majority of the second hand companies are small organisations with only one or few people in their management.

If we look at the social enterprises, for example Ekokaarina’s organisation doesn’t really differ from other private companies. One difference is that, according to Kallio, in social enterprise it is impossible to compare employees’ effectiveness with disabled or unskilled employees in the same way like in private companies.

Some of the interviewees also stated that social enterprises need more professional skills in their management. By that, they mean business-, strategic- and economic planning and market research. Also more negotiation skills were needed. Some remarks were maid that social enterprises are fairly new units and small organisations in society which are not used to operate in open market where the competition is very tough.

In Red Cross Recycling Department Stores they have made a lot of work in recent years to make the business more professional by putting more effort to strategic planning, placement of items to different sections, conceptualisation, etc. Haaranen (13.4.2007) says that the foremen in department stores have a big responsibility for the employees; to arrange them suitable work tasks and get them show their best abilities. She continues that foremen have to have a clear vision how to get in to good results.

In UFF the placement of items is really important part of the business concept. Shops are organised according to sections of male, female, children, shoes and household textiles. There is also a trend section where the clothes are separated to different
decades, says Auravuo (17.4.2007). About the management she says, that the employees who are sorting the clothes have daily sorting goals so it increases the effectiveness of their work.

The well planned management and organisation seems to be one of the keys to success according to interviews. In many non-profit organisations and also in social enterprises they have realised that in order to survive in competition they have to develop their management and organisation.

### 4.2.2 Legal stipulations

Legal stipulations are varying a lot depending on a business form in the second hand sector. In social enterprises legal stipulations concerning the employees are clear. They have to have 30% disabled or long-term unemployed. Social enterprises and other non-profit organizations can get wage subsidies for two years for employment of long-term unemployed and for 3 years of person with disabilities. They can also get subsidy for the arrangement of working conditions.

The new Act on social enterprises, which is coming force in May 2007, will change the wage subsidy to a percentage of wage expenses – it can be 50% of wage expenses, maximum subsidy being 1300 €/month. Additionally, it will be same amount for the whole subsidy period as it used to be smaller after one year of subsidy period. Other financial support that was before called project subsidy is increased from 50% to 75% (Työministeriö, 2007). Some interviewees were precautious whether the new Act will help the employment of disabled and long-term unemployed. Some of the interviewees said that the short subsidy period doesn’t really support commitment of employees and for employers it’s also quite risky to hire people for short periods considering the business continuance.

In non-profit organizations like Salvation Army and UFF, they don’t have to pay value added tax because they are public good seeking organizations and that makes a difference compared to private companies (Silander 16.4.2007; Auravuo 17.4.2007).

In WEEE business the companies have to obey the producer responsibility and the Finland’s Waste Act. The important rule is that products must be collected and tested, and they have to be primarily re-used or, as a secondary alternative, recycled as well as possible (Government Decree on Waste Electrical and Electronic Equipment 852/2004). The producer responsibility has set a lot of challenges for actors in the business field of WEEE and all the business structures are at the moment in transition. We will see in coming few years how the business will be developed and settled down.
4.2.3 Customer orientation and quality management

In quality management, companies in the second hand sector have to be especially careful because there might be broken items that have to be sorted away before selling them further on. But there aren’t any common quality standards for the second hand sector. There’s anyway a section in Consumer Protection Act (38/1979; amendments up to 19/2005 included) about second hand sales; if there are defects in a selling item, they must be told about to consumer when buying a product. Otherwise it can be possible, within certain conditions, to get compensation for the broken item.

All of the representatives of WEEE companies assured that all the equipment is tested carefully. In these companies they have special testing methods for the equipment that they receive. Kallio(1.2.2007) says, that in practice, the equipment is usually tested whether it is working or not; if it's not working it is taking to parts and if it’s working it is sold in outlet store. For the electronic equipment, companies in WEEE business usually have a guarantee for two to six months (Kallio 1.2.2007; Niukkanen 17.4.2007).

In textile collection organizations all the textiles are sorted carefully so there wouldn’t be any dirty clothes or holes in clothes (Haaranen 13.4.2007; Silander 16.4.2007; Auravuo 17.4.2007). Silander says the problem is that people still bring clothes that are not in good condition although they are informed not to do that. That’s why they have quite a big waste treatment bills. UFF sends rags they receive to Lithuania to recycle the material (Auravuo 17.4.2007).

All of the interviewees thought that customer service is an essential point for the successful business. However, some interviewees noted that Finnish companies should take example from other European countries for their placement of items in outlet stores. In some companies the items are not very well organized and displayed.

All of the interviewees said that their companies have put some effort on marketing by putting advertisement to news papers. Usually companies have their own websites but in smaller companies they could be more informative than they are now. UFF has a special sale four times a year when they change all of their clothes in their collections. They advertise the sale in newspapers. They have also considered TV advertisement but they haven’t done it yet (Auravuo 17.4.2007). Red Cross Department Stores have quite often advertisement in newspapers; they give out flyers and tell about their activities in central places in cities (Haaranen; Eskelinen, 13.4.2007). In general, in small companies the marketing is mainly based on customers who tell to other people about the services of the company. In bigger companies they have more resources to do marketing and there might even be a person who is responsible for marketing.
5 WORK TASKS, INITIAL TRAINING AND FURTHER TRAINING STRUCTURES

5.1 Work task structure and work coherences

Work tasks are varying a lot depending on a business field in the second hand sector. In general, there are some work tasks which don’t need a lot of professional skills but some that need a person with very specific know-how. According to description made in Ministry of labour (2003), second hand sector is based on work force – not machines. Employees working with used equipment and other goods need to have specific know-how about material or electric technique for example to repair broken machines or furniture. They also need to have service attitude.

In Ekokaarina there are work tasks for example in maintenance, transportation, taking into peace electronic equipment, sales (Kallio 1.2.2007). In Bovallius Palvelut Ltd. for example work tasks are divided to recycling and construction. In Pääkaupungin kierrätyskeskus, majority of the work tasks are in textile sorting and equipment handling (Juha Lehtikuja 12.2.2007). Niukkanen(17.4.2007) tells that in Neo Act Ltd. they have employees who are taking into peace electronic equipment, assembling equipment, some are working in maintenance, sales, accounting, transportation, cleaning and there’s also different repair men for TV:s and computers. Niukkanen thinks it is an advantage that they have all the needed work stages and work tasks in their own organization.

In textile collection organization the majority of the work tasks are in sorting and sales of textiles and other household items (Haaranen 13.4.2007; Silander 16.4.2007; Auravuo 17.4.2007). Moreover there are tasks in transportation, cleaning, maintenance, marketing, public relations and accounting, says Auravuo (17.4.2007) from UFF. Haaranen from Red Cross thinks that more and more business skills like marketing abilities are needed in their work tasks.

Many of the interviewees thought that in the second hand sector some work tasks are suitable for also disabled and long-term unemployed people that might not have an education. There are some work tasks that don’t need professional skills so employees can be trained quite easily. Still, there are also many demanding work tasks and it seems that more business skills and service attitude is needed in majority of the work tasks.
5.2 Qualification structures and training

There isn’t any common educational or qualification system for the second hand sector in Finland. The skills and know-how is depending a lot on work tasks and business field. People can attain for example a basic vocational technical or commercial examination. One other possibility to get a vocational examination is to study beside working by a special apprenticeship contract with employer. There is also all kind of supplement education and adult education organized by educational centers. (Työministeriö, 2003.) According to interviews, the educational level of the employees isn’t very high in general.

Employees hired by wage subsidy are searched usually through employment centers in cooperation with social workers (Kallio 1.2.2007; Kainulainen 29.3.2007; Niukkanen 17.4.2007). In Bovallius Services the employed people are qualified through a course which lasts for a half an year and is organized by employment centre (Korhonen 12.3.2007). Normally to social enterprises a social worker first looks for suitable persons for a certain work tasks. Then the social worker sends a couple of candidates who are being interviewed in the company by a person who is responsible for the recruitment. Then they discuss together with the candidate if he/she is appropriate to this work task and if she/he is willing to do it (Kallio 1.2.2007; Kainulainen 29.3.2007; Niukkanen 17.4.2007).

Employees without any subsidies are searched also through employment centers or sometimes by putting job advertisement to the web page in UFF (Auravuo 17.4.2007). Auravuo told that a good way to get employees was also to have “open doors –day” in their collection and sorting center where they informed people about their operations and job opportunities.

All of the interviewees of the companies said that they interview all the job applicants, some even several times. Orientation methods for the new employees were quite similar in companies and organisations. In Salvation Army, there was a certain flea market and certain person who takes all the new beginners for the orientation (Silander 16.4.2007). In Red Cross all the new beginners are carefully trained and guided in their work (Haaranen 13.4.2007).

Many of the companies had different kind of training happening in work but there weren’t other specific vocational training models besides the Bovallius foundation which has a vocational school and social enterprise Bovallius Palvelut Ltd. working together, so that the students could be trained in working periods in Bovallius Palvelut Ltd. and after graduation get a job there (Korhonen 12.3.2007).

Employers seemed to appreciate for example commercial education for the persons in sales or technical education in WEEE repair work but still the employees who start to
work in second hand sector come from different kind of branches with different backgrounds.
6 BEST PRACTICE CONCEPTS AND QUALIFICATION CONCEPTS

6.1 Approach

Interviewees looked at the best practices in their daily business operations but also in wider context. In daily operations for example working in teams could be a good method. Teams should take own responsibility for some work tasks. Everyone in team could feel that their input is needed and they could feel more committed to their work (Kainulainen 29.3.2007). Also team work can bring out more good ideas in business (Eskelinen 13.4.2007). In social enterprises the equality of employees was stressed as an important principle in their operations. In Neo Act Ltd. they have 45 nationalities working at the moment and everybody is working together and in all operations despite of their background (Niukkanen 17.4.2007). Kallio (1.2.2007) stressed the concentration in employees and their abilities. The work tasks should be designed to better fit employees’ needs and abilities. Some interviewees noted that social enterprises and non-profit organization need to operate like other companies so they need more professional business skills in their management.

In UFF the best practices thought to be for example to set sorting goals for the employees which increase their effectiveness. They also have logistically well working transportation system where the collection routes are planned carefully to save time and save in transportation expenses. Their shops are situated in the centre area of cities and are open quite late and also on the weekends. (Auravuo 17.4.2007) In Red Cross Department Stores they’ve had good experience working together with students in the Institute of Design who had taken the textiles from their Recycling Department Stores and designed trendy outfits which were presented in a fashion show (Haaranen; Eskelinen, 13.4.2007). Haaranen stressed also the importance of business planning and taking into consider the customer.

Some interviewees also looked at the wider picture. Quite a many of the interviewees of social enterprises and associations came to that conclusion that they need to cooperate with other actors like companies to unify their strengths and to perform as a credible business partner in tough competition. Networks, national and international cooperation were felt to be quite important in all companies and organisations. In Salvation Army they have for example once a year meeting within international organisation where they compare the prices and plan the future directions (Silander 16.4.2007).
Some interviewees told their organisation have cooperation with the municipality or city so that they arrange rehabilitative work activities and the city buys some services from them. In HOT project they’ve also got cities to work in cooperation for the development of social enterprises and for example city of Espoo is starting up a social enterprise to welfare sector. (Pöyhönen 20.4.2007.) It seems that there could be more possibilities for social enterprises and other non-profit organisations to work in cooperation with cities and municipalities.

In terms of qualification methods one good approach could be the model of Bovallius foundation where they have vocational school and a social enterprise working in cooperation (Korhonen 12.3.2007). There is also cooperation in HOT-project with Laurea Polytechnic to educate more people to welfare sector (Pöyhönen 20.4.2007). There could be possibilities for same kind of models in the second hand sector.

6.2 Success and sustainability of the concepts

According to many interviewees networks and cooperation isn’t only a good way to find best practices but continuously develop them by comparing good business models and experiences with other companies and organisations (Kallio 1.2.2007; Korhonen 12.3.2007).

Some interviewees stressed the business planning and reviewing the business plans as one way to keep up in competition. All the projects should be evaluated in terms of financial and development goals, so that the organisation could learn from the mistakes or successfully pursued projects (Kainulainen 29.3.2007).

It became clear in many interviews that success of the business concepts is also due to legislation and its development. In social enterprises for example the governmental support for the employment has been modified in the new Act of Social Enterprises to spur on the establishment of social enterprises.

Customers’ attitudes seemed to be one aspect that has influence on success of the business concepts. From that point of view, many interviewees’ thoughts were positive for the development of the second hand sector. Many interviewees thought that in consumers’ minds second hand, recycling and reuse have become a trend. But customers have to be listened and from customer needs develop the business concepts and in that way insure the success and sustainability of the concepts.
SUMMARY AND DISCUSSION

This project has shown to be useful but full with challenges because there isn’t yet a common concept of “second hand sector” in Finland. There are many kinds of different actors in a private sector, public sector and third sector. Like some of the interviewees noted, it’s in a way a “wild sector” because there’s no clear limitations, neither there are no strict rules or norms. Furthermore, there is no governmental unit in Finland that would be in charge for the whole second hand sector. However, there is a governmental unit in Environmental Centre of Pirkanmaa (in Tampere) that is in charge of implementing WEEE directive and producer responsibility. Additionally, there are also some associations and projects that have as their main task of promoting and strengthen the WEEE business. There are also projects that are supporting the establishment of social enterprises.

In the first chapter we have framed the definition of the second hand sector, limitations of the sector and described the dimensions in the second hand sector in Finland. We defined the terms retail/sales, reuse, recycling and second hand. Often people are talking about recycling to cover also reuse and second hand but actually the term refers to material recycling. In reuse, an item has become a waste and it is repaired for its original purpose. Second hand refers to selling or buying used items.

About the limitations of the second hand sector, the Research Guideline says that antique, automobile sector, building and construction sector and auction portals aren’t included in this report. It became clear when doing the first interviews that in Finland the construction and building sector are quite essential part of the second hand sales. Also the auction portals, like www.huutonetti.fi, are very popular especially among young people in Finland. But to keep the report in control and follow the Guideline, we didn’t cover these issues in this analysis.

We tried to look at the second hand sector from different dimensions by dividing it to north, south, urban and countryside. According to statistics and interviews the majority of the second hand shops seemed to be in the southern and South-West area and urban environment. One reason is that the population is focused in these areas. But there are still quite a many flea markets also in the countryside. The WEEE companies covered quite well also the northern and eastern parts of the Finland. We have to remember that the statistic doesn’t give a comprehensive picture because there aren’t all the second hand sales included. One conclusion is that there should be a wider field study made to cover the all second hand sales and to get a comprehensive picture on this sector. Because lack of statistics the research material was mainly based on interviews, publications and the material found on the Internet.

In the second chapter we gave an overview about the second hand sector structures and business fields. The overall picture is that the sector is really spread to different
kind of business fields and different kind of business forms. Recycling and reuse business of WEEE have been increasing because of the WEEE directive and producer responsibility which has become part of the Finnish Waste Act. There are many kinds of actors like big listed companies (Plc:s), some social enterprises, third sector organizations and private persons. In social enterprises they manually test, take into parts and repair the equipment.

In the business field of textiles there are big humanitarian non-profit organizations that cover a large share of the sector. The biggest textile collection organizations are UFF, Red Cross Department Stores and Salvation Army. UFF is participating in developing projects in poor countries, Salvation Army and Red Cross Recycling Department Stores are mainly focusing in humanitarian work in Finland and Red Cross also has a crisis fund where part of their profits go. Recycling centers like Pääkaupungin kierrätyskeskus also have lot of textiles in their collection. Then there are lot of private flea markets where you can leave your items under supervision and also flea markets organized by church or sport clubs. Red Cross Recycling Department Stores, Salvation Army and recycling centers have also furniture in their collection. In addition to these, there are some companies in bigger cities that have furniture as their only business field. In bigger cities and towns there are also specialized second hand stores that sell books or sound storage media. We call them Antikvariaatti in Finland.

Next we looked at the employment structures in the second hand sector. It became clear that most of the enterprises are really small in the second hand sector. There is, in average, only one or two working in a second hand shop. Then there are few bigger employers for example the textile collection organizations that have over 100 employees. Many of them have hired long-term unemployed and disabled people by wage subsidies but there are second hand stores that haven’t hired them. There is usually more than one foreman per shop in bigger textile collection organizations.

As part of the employment structures we covered the employment of long-term unemployed and disabled people and presented the Finnish model of social enterprise which differs from other European countries. Act on social enterprises says that 30 % of the workers have to be disabled or long term unemployed and otherwise it is operating like any other enterprise in the market. Now, by the new modifications made on Act (1.5.2007) the wage subsidy is improved and also the length of the higher wage subsidy level is increased. According to interviews and publications subsidized work period is a good way to get disadvantaged people “back to society” but it is quite challenging to get people back to normal labour market because of the negative attitudes of employers towards disadvantageous groups. About the vocational training the interviewees thought that there has to be right kind of work tasks considering their abilities. There was also presented a model of vocational school and social enterprise working in cooperation.
There isn’t any head association for the whole second hand sector but we presented some associations and cooperation models considering social enterprises, reuse business and disabled people. Almost all of the interviewees thought the networks and cooperation projects are really important especially for smaller companies and actors.

Development of the second hand sector was thought to be positive in the future because of the increasing environmental thinking. Also the fact that second hand has become a trend affects consumers positively. Non-profit organisations and social enterprises have started to realize that in order to survive in competition they have to develop their management and organisation to more professional way. There weren’t any common quality standards in the second hand sector but all of the interviewees stressed that all the items are tested and inspected so that there wouldn’t be broken items that they sell. Customer service and marketing were thought to be important issues but some interviewees weren’t satisfied with the placement of items in the stores. Quite many companies had advertisement in newspapers but bigger organisations had even a person responsible for marketing.

The work tasks are varying a lot depending on a business field. There are some work tasks that don’t need an education but also some tasks that need a special know-how. Many interviewees thought that there are many work tasks that are suitable for disabled and long-term unemployed people. Although there were also comments that for example in sales, more service attitude and marketing skills are needed. There isn’t any common educational or qualification system for the second hand sector. People can attain basic vocational education, study beside working by apprentice contract, get supplement or adult education. Usually the educational level isn’t very high in the second hand sector.

The best practices covered issues in daily operations like team work, equality, employees’ abilities, logistical issues and goals in work tasks. In wider picture, the cooperation and networks were thought to be a good way to share experiences, strengthen the forces and also sustain the good concepts. There were examples in cooperation between social enterprises and municipalities and cities that could be developed even more in the future. Sustaining the good concepts were due to business planning, legal development and customers’ attitudes.

It seems that although the second hand sector is still not consistent sector, amount of customers and volumes are increasing and there could be more employment possibilities also for disabled and long-term unemployed people. Due to this development it might clear the practices in the second sector if there would be some kind of head association for the sector that would set out the norms, standards and also qualifications. The business fields within the second hand sector are still developing and forming, and we will see in the coming few years how the sector will be developed.
ANNEX 1. REFERENCES: INTERVIEWEES

5.1.2007, 17.4.2007 Harri Niukkanen, Managing Director, Neo-Act Oy, Helsinki.
1.2.2007 Pentti Kallio, Managing Director, EKOKAARINA RY, Kaarina.
5.2.2007 Kari Poikela, Operative Manager, ELKER OY, Helsinki.
6.2.2007 Teemu Virtanen Senior Adviser, Pirkanmaa Regional ENVIRONMENT CENTRE, Tampere
7.2.2007 Paavo Saikkonen, Senior Adviser, MINISTRY OF LABOUR, Helsinki.
12.2.2007 Taina Nikula, Senior Adviser, MINISTRY OF THE ENVIRONMENT, Helsinki.
12.2.2007 Juha Lehtikuja, Managing Director, Pääkaupunkiseudun kierrätyskeskus Oy.
12.3.2007 Mauri Korhonen, Managing Director, Bovallius Services.
28.3.2007 Merja Heikkilä, Coordinator in SYTRIM project, Learning and Research services, University of Oulu.
29.3.2007 Markku Kainulainen, The Friends of the Young Association.
10.4.2007 (phone inquiry) Jukka Hakola, Managing director, Romotke foundation.
13.4.2007 Maija Haaranen, Manager of recycling department stores’ chain, Riitta Eskelinen, recycling coordinator, Red Cross.
16.4.2007 Kaj Silander, Manager of flea markets in Helsinki, Salvation Army.
17.4.2007 Minna Auravuo, Co-operation Manager, UFF.
19.4.2007 Jarmo Kujanpää, Development Manager, VATES.
20.4.2007 Eveliina Pöyhönen, Project Manager (HOT), Stakes.
ANNEX 2. REFERENCES: RESEARCH MATERIAL


Suomen kierrätyskeskusten yhdistys ry.

