

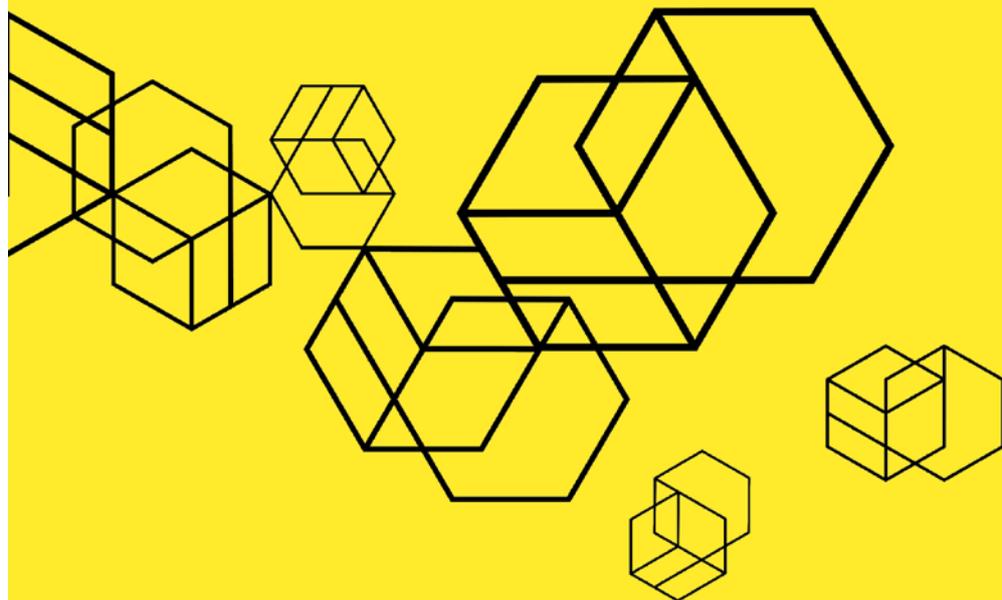


**SOCIAL
INNOVATION
COMMUNITY**

Koopera case study

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Koopera

Abstract

Koopera is a Social Network of Cooperatives and non-for profit companies officially defined as Koopera Social Network GizarteSarea. The network emerged in 2008 in Bilbao as a social cooperative of public utility, although most of the associations and cooperatives that compose the network today have been active since the 1990s.

The objective of the network is the employability and social reintegration of people in situation of risk and social exclusion through activities focused on the provision of environmental services, reuse and recycling, sustainable consumption, training programs, and other activities, which help support this objective. The network follows six important principles based on equality, employment, cooperation, environmental care, non-for profit activities through self- sustainable formulas, where the economic benefits are automatically reinvested in the growth of the network. This formula has derived into an interconnected chain of activities that has transformed Koopera into a circular economic model, where each activity is dependant and influences the next.

1. DESCRIPTION OF THE CASE

Context

Koopera is a Social Network of Cooperatives created in Bilbao in 2008 that is focused on the inclusion and employability of people in situation of risk or social exclusion. Their main objective is to help disadvantaged people by employing them in environmental services through the recollection, reuse and recycling of different wastes (paper, cardboard, textile, furniture, etc.). These services are connected to a chain of sustainable consumption stores where the different recycled and reused goods are sold to the general public, creating a business model that supports part of the whole chain of operations. The network also provides different training programs directed to the social and educational needs of the socially excluded, where people that were socioeconomically rescued by the network also participate.

Moreover, the network is supported by a major Spanish Non-for-profit organization called Caritas which provides Koopera with 400 volunteers. The network also counts with the support of public sector funding programs developed by the Basque Government and other local and regional Public Administrations such city councils, provincial governments, etc. Part of this support comes from their publicly acclaimed recognition through different social prizes that the network has gained through the years.

This recognition has been wisely exploited by Koopera by influencing public policies in their region. As a result, agreements to develop new training programs for new employment opportunities with Public Administrations



have been reached, also collaborating in the design of social innovation policies with the Basque Provincial Governments. Kooperera has also expanded and diversified their base of operations through the negotiation and inclusion of private companies inside their activities by making use of their Social Responsibility Programs. Consequently, companies have seen in Kooperera a good opportunity to invest and support their social projects, both through charity measures, and by employing socially excluded people coming from Kooperera's training programs.

Today, Kooperera is integrated by 18 different cooperatives and social entities¹ that have expanded nationally and internationally through two important projects that are being developed in Rumania (Ekorropa) and Chile (Kooperera Chile). Kooperera Chile is based in the expansion of Kooperera's chain stores to the city of Santiago, in Chile. Through this project, Kooperera has been able to build a new warehouse that allows the wholesale of Kooperera's goods in that country. This project has been replicated in Rumania where Kooperera has opened two second hand stores, employing local people and reproducing Kooperera's model of sustainable consumption.

Most of the entities that compose the Kooperera network today have been active since the early 1990s. These entities were originally created at a time when Bilbao was submerged into a deep socioeconomic crises after the industrial model of the city collapsed. The crisis left behind high unemployment rates (over 25% in many municipalities of the Metropolitan Area) and increasing poverty. These social entities started working with social excluded groups through social integration programmes based on the employability of these groups inside activities developed by the entities. Most of these activities were focused in the recollection and management of wastes. Rising immigration at the end of the 1990s in the Basque Country has expanded Kooperera's focus towards new and excluded segments of the population.

Today Kooperera employs 433 people, 56% of which are part of their employability programs. The Kooperera network has also built a club of members which voluntarily supports its activities by buying in their stores or contributing through charity measures. This club counts with 61,643 members through out the world. The network counts with a total of 37 stores, 19 of them based in the Basque Country and 18 in the rest of Spain. Since 2008, Kooperera has attended a total of 6,819 people in situation of risk or social exclusion.

Some of the most important cooperatives that are part of the network today include: Berohi, dedicated to textile recycling and reuse; Ekiber, an entity focused on activities of reintegration through environmental projects;

¹The Kooperera network is composed of the following entities: Alkarbiziz, Berjantzi, Berzioarso, CáritasKoopereraAstur, Ecolabora, Ekorropa, KoopereraAmbiente, Kooperera Consulting, KoopereraMediterránea, KoopereraServiciosAmbientales, Lanberri, Oldberri, Reciplana, Arropla, CáritasKoopereraAlmeríaandRecuperaciones El Sembrador



Ekorrepara, dedicated to the recollection and reuse of electrical appliances; Ekorropa and Berjantzi, focused on retail trade; KPR consulting, which provides consulting and counselling services; Rezikleta, dedicated to recycling services; and Lanberri, a specific training project program for the young.

The case

The network follows six important principles based on equality, employment, cooperation, environmental care, non-for profit activities through self- sustainable formulas, where the economic benefits are automatically reinvested in the growth of the network. The economic dimension is equally important, as Kooperera supports social enterprises that want to be part of the network, by also providing management training programs to these newcomers.

In the field of social inclusion and labour, the network develops training and labour programs and offers company contracts to facilitate the reintegration of socially excluded groups by employing them in their own services. As for the improvement and care of the environment, the network raises awareness about the importance of prevention through a wide array of activities focused on the recycling, treatment and reuse of wastes.

They select, classify and treat different goods such as toys, books, furniture, electronic devices, batteries organic matter, etc. The network has managed to acquire a collecting service of trucks, which selects all the described goods and divide them into dividing them into different containers where they are distributed, treated or recovered among their six different warehouses. In 2012, Kooperera gave birth to its most important reusing and recycling centre; a 4500 meter squared complex for the automatic treatment of wastes located in the province of Biscay, in the Basque Country. This centre is supported by both the Provincial and Basque Governments and is known for its advanced technology based on a voice interface which automatically selects and treats the different goods and wastes. Thanks to this new installation the province of Biscay has been able to duplicate the tons of recycled goods in less than two years.

After being recycled, this material is distributed among the 37 stores that the network has in the Basque Country and the rest of Spain where it is sold. These products are sold through a network of solidary and faire trade stores, where they also sell bio food products, making the population directly participant of their process of social change. They also have an online store where all these articles can be purchased.

The network also has a service of sustainable mobility having developed a system of public transport that encourages the use of conventional and electric bicycles. Moreover, the network has a series of gardening services focused on the preservation of natural spaces. Other activities include sustainable construction services and increased awareness through training programs and public campaigns.

In the field of social action and social services, the network offers housing services and home assistance for the elder and dependant children. The people that manage these services are part of the reintegration programs so



Koopera has been capable of creating a bilateral system of social integration where the reintegrated segments of the population are also providing important services to the community.

Furthermore, Koopera promotes different projects in developing countries through volunteering programs where the local populations are empowered by managing and being active in these projects right from their beginning. In this context, Koopera supports the solidary economy by backing different entrepreneurial activities in social enterprises, which seek to develop innovative, more efficient and sustainable services.

Therefore, the obtained results are not only environmental but also social and economic, being a good example of a socially innovative and sustainable case. Koopera works to improve the situation of excluded segments of the population by giving priority to creativity and innovation. Throughout its growth, Koopera has also created Social Responsibility Programs that they offer to private companies who want to support and be part of the network. In this sense, Koopera has slowly increased its influence at different levels inside the Basque Country by connecting with different kinds of actors and institutions.

2. DESCRIPTION OF THE LEARNING PROCESS

The learning process of Koopera has not been easy. Koopera as a network emerges in 2008 when the economic crisis had just exploded. Funding and services provided by city councils were substantially reduced, which significantly slowed Koopera's growth in activities where they traditionally were having an important impact, such as selective recollection of wastes and sustainable mobility.

They tried to overcome this situation in what is now one of the main focus of the organization's expansion strategy, that is to say, dedicating a great effort to establish new connections with companies of their own environment to facilitate into the market the integration of people who are finalising their training agreements. Part of these training agreements are reached in connection with public sector employment programs and private companies which collaborate with Koopera or are part of their network. Throughout the years, this situation has been solved through the expansion and settlement of new agreements with private companies who were interested in using Koopera as part of their Corporate Social Responsibility Programs. These companies started to support Koopera's activities both in practice and economically directly financing some of their activities, and employing disadvantaged people coming from Koopera's training programs.

Other challenges have been found in the environmental sector where increased expertise, technological progress, public regulations favouring bigger companies, and little public awareness in the importance of environmental care, have been a significant barrier. These challenges have had a major impact in the environmental sector, where competitiveness has increased between companies, in a time where natural resources are more scarce and climate change is a reality. Koopera encompassed this situation through the construction of a "circular economy" where the companies that form Koopera are able to become part of an integrated exploitation chain of new and reused goods and resources. This chain includes social companies dedicated to the recollection of wastes, recycling companies, transport and distribution entities, and the Koopera network of chain stores, which sell their products

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to the general public. This has been a win-win situation due to the self-sufficient support of the whole chain of interconnected and interdependent operations.

Moreover, at a time where the social demand to be trained and be provided with a job inside the Koopera network increased due to the crises, the demand for responsible consumption of companies and individuals, also increased generating more opportunity for the activities developed by the network. In this sense, the learning and expansion processes have been based in the progressive integration of social companies that wanted to join the network's cooperative model, by grouping the different labels and companies through a single name (Koopera), and in the process favouring the expansion and visibility of the network.

The regulation and legal support to companies like Koopera has also favoured the learning process of the organization by facilitating the acquisition of contracts and funding reserved to the public sector. The funds and the support provided by the public sector has nourished the expansion of Koopera by being able to introduce and support new activities inside their business model. These activities have been part of the learning process that has helped the network of social cooperatives grow into a perfectly coordinated chain of production, which has evolved from the process of just waste recollection, to the recycling and production of new goods that are later sold in the Koopera chain stores. Koopera also developed in 2012 their own Prizes, called PremiosKoopera Saria, in order to give more visibility and raise social awareness of the need for a change in the environmental model, and the utility of activities and services developed by Koopera. These Prizes were established as a way of recognizing and showing gratitude to other socially innovative initiatives that were being developed. They were also seen as an important marketing and communication measure for the network. The prizes were divided into four different categories:

- The Koopera Prize for Sustainability
- The Koopera Prize for Social Integration
- The Koopera Prize for Social Compromise
- The Koopera Prize for Responsible Consumption

Furthermore, cross sectorial knowledge transfer between the different companies that are part of the Koopera network have been crucial in their expansion and in the growth of the social cooperative. The entities which employ excluded and disadvantaged people for the recollection of wastes are connected to other companies inside the social cooperative network, which recycle these wastes to transform them into new goods. The human capital, the knowledge and the experience acquired throughout the years in the initial stages of Koopera's activities have been scaled to a wider and more complex context of operations, building a more diversified, self-sufficient and self-dependant group of social companies that feed from one and others activities.

Consequently, Koopera has created a social economy network chain which takes advantage of the whole process of production and knowledge transfer, crucial for the expansion and growth of the social cooperative. The diversified range of activities developed by Koopera through the cooperation networks and the support of their own companies has been an important approach towards finding complementarities inside their own business



model. In this context, the learning process has been mainly adapted to the challenges and constraints found through the adaptation to the changing context. As a result, their way of learning has been mainly reactive to the problems and challenges it has encountered to expand its' own model.

3. DISCUSSION

In order for a company to learn from its' activities and absorb new knowledge, it is important that the organizations' needs had a prior related knowledge base to build upon. The storage of knowledge is developed by associative learning that in the context of Kooperera was prior to the acquired knowledge it has developed today. That is to say, there was an important level of expertise on most of their activities prior to the implementation of their business model.

In words of Cohen and Levinthal (1990) *"the notion that prior knowledge facilitates the learning of new related knowledge can be extended to include the case in which the knowledge in question might be a set of learning skills"* (Cohen and Levinthal, 1990: 129-130). In these terms, a company also "learns to learn" (Ellis, 1965).

Applying this approach in relation to the process of innovation itself, the capabilities of Kooperera to develop social innovations are more related to problem solving skills to create new knowledge, that on their learning capabilities; that is, their capability to assimilate existing and new knowledge directly from the context where it operates (Cohen & Levinthal, 1990: 130). In this context, the knowledge transfer modes inside Kooperera have been based on their own experience and their close connection to the Basque context where it emerged; a process of tacit knowledge transfer where the proximity to other organizations (social companies, public administrations, social organizations) inside their environment potentially increased their "absorptive capacity" to openly grow and diversify their activities.

The process of interaction and collaboration has also been very important. Kooperera functions as a network of networks and can only develop their business model if the other companies inside the cooperative's network successfully develop their own activities through a circular economy based on shared resources.

In this sense, the metaphor of the "bricoleur" (Levi Strauss, 1966) suits Kooperera's model very well through an attempt to assimilate new ideas and being able to exploit them through new modes of collaboration. This process is related to the concept of "learning by opposing", (Baker & Nelson, 2005) "creating more from less", or simply taking advantage of a series of diversified business services and principles (reuse, recycle, train, reintegrate, provision, etc.) that are extended and amplified through other companies belonging to the network. This can be defined as a collaborative learning approach inside a collaborative learning economy, where the organization openly learns in connection to the activities inside their own network, and by trying to adapt and diversify these activities to other contexts inside and outside their region.



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Revista KOOP, nº61 (Oct-2014) Entrevista a Koopera. Pp. 6-7.