

Integration beside Competition

A Case study: New Economy in the
Monastery Square and the Coffee House



OUR NEW ECONOMY

Jurgen van der Heijden and Maarten Nijman (2020) Working paper

New Economy in the Monastery Square and the Coffee House

Integration beside competition

Preface

Just like in countless places around the world, the Netherlands has thousands of examples of social initiative. People go to work in their village or neighbourhood with housing, energy, care, food, transport, nature and much more. The initiators of two initiatives did ask us to look at this as an economist. Can we understand what they're doing and can we help improve it?

Here is our conclusion: initiators do not work on one goal in their village or neighbourhood, but on multiple goals, and they use their means very effectively to achieve those goals. This saves costs and creates more revenue. Here is also our recommendation: think for each means which next goal you can achieve. This is what we saw the initiators of both initiatives do and in this publication we show that in more detail.

We draw another conclusion, about competition as a guiding principle in the economy. Social initiatives offer an alternative to this. Competition is: using everything for a single goal, but also throwing away a lot of valuable resources. The alternative is integration, using every resource for as many successive goals as possible and therefore using as much as possible what is valuable. We think this is interesting for many who are looking for a new economy, since they see that too much competition is not good for society.

This publication is intended for all who work with social initiative and certainly for the initiators and active residents in neighbourhoods. People who work for governments, companies and social institutions can of course make use of it. The latter also applies to people with an interest in the economy and especially the new economy.

Enjoy reading,

Jurgen van der Heijden and Maarten Nijman

This publication has been made possible with the help of NLZVE

Introduction

All children in the Netherlands used to learn about the Hondsbossche seawall during their geography lesson. This was just a dyke, reinforced with stones. Nowadays it is also a nature reserve. Nature makes the dike safer than stone and moreover, the area can also develop recreation or sustainable agriculture. That is an example of integration. A simple definition of this is the use of a single means of achieving two or more consecutive goals, such as the dike that serves for sea defences, nature, recreation, and agriculture. Active residents are champions of integration, with the greatest ease they use almost any means for two or more goals.



Image 1. Use a mean for two or more goals: a dyke and a road (image: Pxhere)

The Netherlands has at least eight hundred residents' initiatives on well-being, care and living. Most start with setting up activities related to well-being. They get started with cooking together, eating, cycling, watching movies, reading books. In short, everything that is good for well-being, for example because it fights loneliness. It is known that more well-being helps to promote health. For many initiatives, this is a stepping stone for residents to rent home care together, and neighbourhood nursing at a later stage. As a result, they can continue to live at home for longer, with the result that they will appreciate their living environment more. More and more residents' initiatives are moving towards making life-course-proof homes, and even setting up homes for the elderly. That's how well-being first serves as means to promote health, then as a step towards the organization of care and then to better living.

Integration creates a new perspective on the economy

The Netherlands has at least five hundred residents' initiatives on making energy use more sustainable. The core of their activity is saving energy and generating energy sustainably. For this, they use their own roof for solar panels, for example. Many work simultaneously on sustainable mobility, climate adaptation, health, poverty alleviation, employment. There are thousands of local green initiatives in the Netherlands. Active residents use that greenery to work on welfare, food, health, care, climate adaptation, biodiversity and employment. Just like the residents' initiatives with regard to well-being, care and housing, the initiatives with regard to energy and with regard to green resources are deployed to successive goals. We are talking about integration here.

Integration creates a new perspective on the economy. Step by step, subsequent functions are added to existing functions. Consider the home that develops into a power plant and a place for nature. The subsequent functions are a charging point for the electric car and a contribution to health by, for example, bringing a green roof to cool down the house and purifying air. Unfortunately, this integration has no role whatsoever in thinking about the economy. On the contrary, competition is central, and it actually breaks down integration. In common economic reasoning you choose between living and nature and you figure out how much nature must give way to living or vice versa. There is no room for the idea that nature is particularly good for living, and that the living environment can yield a great deal of nature quality.

Few builders come with an integrated range of living space in combination with energy generation, nature, and health, as long as their competitors only offer living space. The buyer soon opts for that space only because he then gets as many square meters as possible for his money. He accepts that in the long run he will have higher costs for energy, nature and health. Society will also have higher costs since competition causes a loss of integration and that is a loss for everyone. This can be compensated if afterwards the home is integrated with sustainable use of energy, nature, health and much more, but is that enough to make up for the loss? Is competition not too expensive for individuals and society? Can integration serve as a serious alternative?

These questions rather get straight to the point because integration is an unknown phenomenon for many. We will therefore introduce it based on the example of the village of Kloosterburen in the province of Groningen. Based on the facts from that and other examples, we come up with a theory about integration as an alternative to competition. We substantiate the usefulness of this theory by applying it to the case of the Coffee House in the Haarlemmerstraat in Amsterdam. From this application come new ideas that require further research, but about which we will express ourselves. We conclude with recommendations for building an integrated economy.

Case Kloosterburen (Monastery Square)

Kloosterburen has one of the oldest monastic sites in the country with a history that goes back to the twelfth century. Within the monastery square (figure 1) there are, among other things, 1) the Nicolaas church, 2) the monastery garden, 3) the Olde Heem care home, 4) a monumental farm and 5) an animal park. There is a lot of green in between.



Image 2. Monastic site of Kloosterburen (source: Google Maps; SintJan 2007).

In the period 2000-2015 the number of residents in the municipality of De Marne, of which Kloosterburen is a part, decreased by 6.6%. As a result, provisions decreased. For example, health providers withdrew from the area. The physical living environment also fell into disrepair, monumental buildings and the monastery garden were poorly maintained. This degeneration has been reversed from 2006 into regeneration by residents who have started to take initiatives themselves. To this end, they founded the Sint Jan foundation and later the Klooster & Buren cooperative. Many people are now involved in this residents' initiative. With the monastery square as its core, the initiative now extends to the five villages Kloosterburen, Hornhuizen, Kruisweg, Kleine Huisjes and Molenrij with a total of 1500 residents.

The aim of the SintJan foundation is to strengthen the liveability of the area by connecting care, work, housing, and culture (conservation). The first step of the foundation was to offer adult social day care for the disabled. Then the church, subsequently the monastery garden, deer park and care home came under management of the foundation. After adult social day care more and more goals were set: maintaining the library, operating the church building, housing for care clients, making buildings more sustainable. When the care provider for the elderly 'Zonnehuisgroep' left the area in 2015, the option of becoming a care provider emerged. The Klooster & Buren cooperative was established in 2016.

The cooperative has three main goals. The first is to provide a pleasant living environment for people of all ages and origins, who for some reason cannot live independently. Secondly, the cooperative wants to preserve cultural-historical heritage in one of the earliest inhabited areas in the Netherlands. Thirdly, the focus is on nature conservation, environmental management and creating a healthy ecology. These three main goals largely correspond with the goals previously set by the SintJan Foundation. This foundation and the cooperative stand out because of the connection of quite different goals.

Common in society and economy is to set a single goal as an organization and to pursue that as effectively and efficiently as possible. This is known as specialization and that does not fit well with the connection of various goals. What is striking within the monastery square in Kloosterburen is how linking goals leads to effectiveness and efficiency per goal that, if all these goals were to be implemented individually, would not be possible. For example, the church is heated with energy generated by solar panels on the Olde Heem, and meals in the Olde Heem contain vegetables from the monastery garden.

Adult social care for the disabled ensures maintenance of the monastery garden. In this way the quality of this day care increases because working with greenery is of therapeutic value. At the same time, maintenance of the garden receives more time and attention than if a paid green service did this. In this way goals mutually reinforce each other within the monastery square. Another example is the provision of care for the elderly and the disabled by the same care team. Many care tasks for the elderly and the disabled overlap: these tasks would normally be performed twice. By connecting these two forms of care, time and money are saved.

social care for the disabled ensures maintenance of the monastery garden

The connection of goals also offers room for sustainability and innovation. For example, an energy-saving project in the Olde Heem has resulted in the establishment of an energy cooperative. This offers every member of the Klooster & Buren cooperative the opportunity to become the owner of solar panels and thus save money and contribute to sustainability. In addition, the residents' initiative offers the opportunity for innovative developments. For example, experiments are being conducted with "alternative forms of sustainable construction" and a unique personal alarm system has been developed spontaneously for the residents of Olde Heem in this process. Furthermore, a large collection of effects can be seen in the socio-economic field.

The number of residents in Kloosterburen is currently stable and people are even moving there because they want to grow old in the community. In Kloosterburen, house prices are higher than surrounding villages, facilities are increasing instead of decreasing, better care is being offered and there is an incentive for the local economy through local purchasing power and increasing tourism. All these socio-economic effects are covered by the emergence of a 'community'. By linking goals, activities and developments to each other, there is room for everyone to join the project. This creates a vital community in which everyone can participate, young, old, disabled, resident and entrepreneur.

Theory

Integration and competition

Not everything succeeds in the monastery square in Kloosterburen, but every observer will recognize that the works of the SintJan foundation and Klooster & Buren cooperative make a difference. An important explanation for this is the fact that work towards one goal is used to achieve the next goal. That does not mean that specialization is out of the question. Also, in Kloosterburen specialists are working on care, food and energy. The connection between their specialisms is striking and this fits with what is increasingly known as integration. It is also striking how this continues in Kloosterburen with more and more effect; initially it led to regeneration and now to renewal.

Integration is central to the upcoming Dutch Environment Act; no one has ever called or enforced that. It has come about during the legislative process in the last ten years, as if it were in the air. In more and more places people use the term integration, or a synonym to make clear what they do. EU officials speak of the integrated approach, others talk about multiplicity, function combination, multifunctionality, inclusiveness, the holistic approach, or the linking of interests (Puts, Van der Heijden). A good example is health care where many are inspired by positive health, an accumulation of goals such as well-being and a good living environment that promote health and thus prevent the demand for care (Minkman).

In solving social issues, it is not common to opt for integration, but for competition. This puts companies on the alert, as do governments and especially their political bosses. If all goes well, they will achieve clear goals that benefit society. In this way, competition directs the market and government and forces them to opt for a clear goal. A company or government uses all necessary means for this; if the goal is achieved, then the battle is won. These means can serve even more purposes, but as the struggle hardens, the urge to use them for that decreases. Integration is precisely the deployment of every means to as many goals as possible. This makes integration and competition into two opposites and a useful basis for our theory.

Acting

Two types of acting

Acting, the use of resources to goals, a very everyday subject that is also covered by a great deal of science. It is therefore surprising that there are two types of action. One is well-known and the other is emerging. Well-known is setting a goal and using all necessary means for that. Simply think of preparing a meal and the use for that of ingredients, a heat source, pans, and manpower. This way of acting is so familiar to us that it stands for what acting is. Alongside is the deployment of a means to as many goals as possible. Consider the simple example of a dyke that is also a road. This is known as integrated action and this insight has been on the rise for the past thirty years.

With a second approach to acting emerging a clear distinction is necessary; setting a goal, and using all necessary resources for that purpose, can no longer be known as acting alone. In other words, a name is needed for that and then the choice must be competition, struggle. The argument for this is that the choice for one goal in this way of acting means that the choice for other goals has become impossible, they fall away. Driven by the economic principle of scarce resources, they are made available for the goals that we choose and not for the goals that are falling away.

With integrated action, resources are just as scarce and a goal is also chosen, but this means that other goals are not lost. For example, the choice of a dyke does not exclude that this can also be a road. The means of a slope as a flood defense is also suitable as a means of a road. The construction of a dyke has always been extremely expensive, so it is obvious to use it immediately for the construction of a road. People have been drawing this conclusion in more and more situations for about thirty years. During that time, the first care farms and community schools were established, of which there are now thousands. There are also large numbers of other examples, such as green roofs, road surfaces that absorb and store heat and sports clubs with childcare.

The dike with a road is a beautiful, old example of integrated action, but for a long time one of the few examples. The social pressure is great to opt for struggle, and therefore for a single goal and for ignoring the extra possibilities that a means offers. Why is there a struggle, competition? There are several reasons for this. First, it is difficult not to fight if someone else starts to fight: if someone can produce faster, you must either work for his company, or invent an even faster production process. Secondly, you can look at success in two ways; from continuity or from growth and profit. By linking the definition of success to growth and profit, a system is created in which there are also losers. This is how competition works, you must take part, unless there is a government that prohibits this, but the rules of competition also apply to this.

In the event of a fight, the rule is to lose or to win and it is difficult not to participate, even for a government. This jeopardizes its own position if it prohibits a cheaper production process when another government permits this. Even if this can be at the expense of safety, nature or employee salaries. It is therefore difficult to not participate in a fight, competition. To be able to win, you choose a single, clear goal, because you cannot compete for two goals at the same time. If the competition forces you to invent the cheaper production process and thereby produce it, then you are not working on something else at the same time. The only option then seems to be to go into battle and thus opt for a single goal and for ignoring the extra possibilities that a means offers.

Niki Harré describes the dilemma of struggle in the words of a game: you can play a game in two ways. One way is to play to win - these games have battle as a feature and are by definition finite. The other way is to keep playing. This game is infinite and has a different starting point than battle (Harré). It draws a parallel with nature where hardly any waste occurs and many resources can be used for various purposes (Hansen, Pauleit). In the competition, however, the need arises to use all necessary resources as cheaply as possible. Materials, manpower, space, time, everything must become cheaper available as the struggle hardens. Moreover, if the idea prevails that resources are infinitely available because the planet appears large enough, there is no need to use the resources for two or more purposes.

**need to use the
resources for two
or more purposes**

The need for change now comes from the planet: the need to use resources for two or more goals is there, because resources are no longer available, or not cheaply. Raw materials are finite. More and more people realize this and see, in the words of Kate Raworth, that economic action takes place within a donut (Raworth). The outer ring of the donut indicates that resources are not only economically scarce because they are hard to come by, but also because they can run out. The inner ring indicates that in the competition to continue to act, many social rights of citizens are being violated. This realization must encourage people to increasingly act in an integrated way, for example by choosing a care farm or a road surface that absorbs and stores heat. Our dominant course of action clashes with the hard limits of the planet and integral action joins competition as an alternative course of action.

Positive side effects

Every action starts from the desire to achieve a certain goal. We call this goal the intended effect. In addition, there are positive and negative side effects, together also known as spill-over effects. The best known are the negative side effects, because many governmental acts and the law focus on counteracting the harmful effects of what people do in their daily lives. Consider, for example, the emission of nitrogen, which is so damaging to the environment that the law prohibits virtually any activity that leads to more emissions. Less well-known are positive side effects because they are often ignored. Think of residual heat that has been flared from chimneys for an exceedingly long time, but which is increasingly being recovered nowadays.

Competition puts pressure to ignore positive and negative side-effects: the positive because it pays more to invest time in the intended effect, and the negative because it costs money to counter these. Integrated action also starts with a single goal, such as providing adult social day care for the disabled in Kloosterburen. An important difference is that positive side effects are not ignored but are well utilized: their daily activities consist of maintenance of the monastery garden and vegetables that they produce for meals at Olde Heem.

The monastery square in Kloosterburen shows an accumulation of effects. We see a pattern in this and unravel that below in six steps:

1. Positive side effects become the means to the next goal

Unravelling the monastery square case starts by distinguishing intended effects, such as adult social day care for the disabled. This day care is used as a means to the goal of therapy. By doing daytime activities in the garden, positive side effects arise, good maintenance of the garden and production of vegetables. These side effects are then again, a means of serving other goals. The maintenance of the garden serves to maintain an attractive living environment for everyone in Kloosterburen. The production of vegetables serves healthy and affordable food for the residents of the Olde Heem. Positive side effects are not thrown away but become the means to another goal.

2. Double effect

Effects accumulate, that saves money and delivers extra quality. This saves money not having to buy vegetables on the market. The quality is high because the clients have time and attention in the adult social day care to be able to grow organically. The costs of this day care are also falling because it takes place close to home in a location that is suitable for this. Moreover, the quality of the therapy increases because many clients benefit from working in the garden. Not only does the therapy make the garden and its products better, but they also make the therapy better. This doubling in effect is particularly valuable, because while costs continue to fall, quality also increases.

The doubling in effect occurs more often with integrated action and the example of living and care can support this. The goal is a good living environment, the home is the means, and this has better care as a positive side effect; for many care clients, the quality of therapy increases through care in their own home. This side effect is again a means to a good living environment; the quality of the home increases when people know that they can grow old there, even when they need care. Intra-action is a concept to explain such doubling. In comparison with interaction, intra-action indicates how phenomena such as living, and care have a relationship in which they can intervene. They change as a result, while this not happens with interaction (Barad). By far not all effects are involved in intra-action, doubling. In Kloosterburen, for example, the maintenance of the monastery garden serves to maintain an attractive living environment; conversely, this environment has no direct function for maintaining the garden.

3. People

There are positive side effects that become the means to sometimes unexpected new goals. For example, work on making the Olde Heem sustainable has spontaneously led to an alarm system for residents. This positive side effect comes from the people involved. Their creativity can produce endless effects of this kind. Another example of this is the provision of care for the elderly and the disabled by the same care team in the Olde Heem. Although many care tasks for the elderly and the disabled overlap, they are not normally performed simultaneously. Combination of these two tasks saves time and money and can increase the quality of care and work, because care providers have more time within budget.

4. Scale-up

A fixed pattern within the accumulation of effects is always that the use of a means leads to a positive side effect, which in turn becomes the means to the next goal. This saves costs and delivers extra quality. It is important to recognize this pattern and to be able to distinguish it from two other patterns, scaling up and competition. Increasing the scale appeared when making the Olde Heem more sustainable: the solar panels can also be used for heating the church. That is not a positive side effect, but just finding an extra customer for the surplus of energy.

5. Competition

In the accumulation of effects, there can be concurrence with competition, the use of all necessary resources to achieve a goal. House prices in Kloosterburen are now higher than in surrounding villages. Although this is a positive side effect of many other people's efforts, the home seller will only collect the profit from this and will not pursue a positive side effect. He simply takes part in the competition on the housing market.

money circulates in the local economy for longer and stimulates side effects

Not only the housing market gets a boost, but the entire economy in Kloosterburen. Tourism is increasing and entrepreneurs can benefit from it. They may contribute to integrated action, for example, by offering products from the monastery garden, or by offering care workers a work experience placement. At the same time, competition does not give them the opportunity to devote extensive attention to this. What is the situation with consumers now that purchasing power is increasing due to a better local economy? Will they use that purchasing power for the purchase of resources and

thereby think about side effects?

Purchasing solar panels from its own energy cooperative is a way to use purchasing power, considering the positive side effects of the product that is being purchased. This also applies to purchasing care via the Klooster & Buren cooperative. In this way, money circulates in the local economy for longer and stimulates side effects that, in turn, benefit the economy. This could give rise to new steps in the future so that the accumulation of effects continues to grow in Kloosterburen. The basis for this has been laid: facilities are increasing instead of decreasing, better care is being offered, the number of residents is currently stable and people are even moving to Kloosterburen, since they want to grow old in the created community.

6. Community

All socio-economic effects in Kloosterburen centre around the emergence of a community. By linking goals, activities and developments to each other, there is room for everyone to join all initiatives. This creates a vital community in which everyone can participate. The creation of this community is a positive side effect of all initiatives. At the same time, it is a collection of people who are creative and find the following positive side-effects to take advantage of each subsequent means that they use. This leads to effectiveness and efficiency per resource that, if all these resources were used individually, would not be possible.

Negative side effects and resilience

Acting in an integrated manner exposes a force of the economy that competition does not use, because the positive side effects are ignored there. Sometimes these side effects are so valuable that it is worthwhile working on them, such as the dyke and road. Residual heat has been flared endlessly from chimneys, but nowadays has economic value. By-catch of fishing usually went overboard, unless it concerned valuable fish; nowadays it is forbidden to throw out by-catch, so the fisherman has to cash it in even if he makes a loss. The negative side effects are also ignored in competition.

Acting is impossible without negative side effects. Try to work without emissions of noise, heat or dust. It is permitted to ignore that, unless this is prohibited by law that requires to adapt or mitigate. The most recognizable example of the obligation to consider a negative side effect is the law that prohibits making too much noise or releasing too many substances into the environment. Adaptation is adjustment to negative side effects, for example through the construction of a noise barrier along a highway. Mitigation means a reduction in the cause of these effects, for example by requiring that cars drive at a lower speed or prohibiting freight traffic at night. Adaptation and mitigation often cost money, and in the event of competition, negative side effects can be ignored as much as possible, because there is always pressure to keep costs as low as possible.

With integrated action, a continuous process of actions produces positive side effects that can serve for adaptation and mitigation of the negative side effects that this process itself produces, and also of other actions. The monastery square case in Kloosterburen case provides an example of this, but does this create sufficient resilience to absorb negative effects? Now that the village of Kloosterburen is growing again, the number of homes and traffic is also growing. Can the village cope with it and at the same time hold on to the upward spiral? For example, does it have enough green to help absorb noise, heat and fine dust from more homes and traffic? Can the development of houses and roads evolve so that at the same time more and better green comes than before, so that noise, heat and fine dust have no effect?

What we observe in a case such as the monastery square is that people try to use as many positive side effects as possible. This creates value for adaptation and mitigation of negative side effects. That goes step by step, in this case for years and there are no indications that this will stop. However, we do not know whether it is sufficient; we currently lack the data for that. This does not prevent us from coming up with a theory in which the positive side effects dampen or cancel out the effects of the negative side effects. In that theory, integration alongside competition is the alternative to a sustainable economy. At this point we can summarize this theory as an interim conclusion.

Interim conclusion

Integral action consists of the deployment of a means to two or more consecutive goals. That starts with a single goal. When using the means to that goal, this means has a positive side effect that can be used for another goal. Even then, this means again has a positive side effect for the next goal, and so on. This process may become exhausted at any time, or may continue indefinitely, but it differs from competition where a means serves solely for a single goal. In both competition and integrated action, the use of each means also has negative side effects. In the event of competition, there is great pressure to ignore these effects as much as possible. With integrated action, the positive side effects build up resilience to absorb negative side effects.

This is our theory, and we want to substantiate its usefulness by applying it to the case of the Coffee House in the Haarlemmerstraat in Amsterdam. We do this by considering integration as an ongoing process. Acting is an accumulation of effects, but there are patterns that we find in the monastery square case. With the help thereof we look at the Coffee House case to see how positive side effects become the means to a next goal, and how in some cases that leads to double effects. We pay attention to situations in which people are the means, and we point to negative side effects, scaling up, concurrence with competition within the accumulation of effects, and to the community.

Coffee House Case

Introduction

The Haarlemmerstraat is in the centre of Amsterdam, with halfway the Coffee House. This is a place for homeless people who are welcome almost nowhere, they are with or without residence status, have very little money and often a very limited social network. In 2014, the municipality withdrew the subsidy, but the Coffee House survived by working with more and more goals: hospitality, adult social day care, recycling of clothing, city cleaning, maintenance of greenery, painting material, cargo bike rental and room rental. An upward spiral has been set in motion, which in the meantime has led to reaching more homeless people with more quality than before. The number of services continues to grow and thus the significance for the homeless, the neighbourhood and employees.



image 3. Coffee House in the Haarlemmerstraat (image: Koffiehuis)

In this section we describe and explain the events surrounding the Coffee House from 2014 onwards with the help of the theory in the previous section. We analyse how the positive side effects of the hospitality and adult social day care have been used to first start with also the recycling of clothing, then city cleaning and green maintenance. We indicate how this is now continuing around several more diverse activities: room rental, painting materials and cargo bike rental. In this way, the Coffee House creates value, socially and economically, but this goes further. The Coffee House reverses negative side effects of the actions of others by working on adaptation and mitigation. We also analyse the value of this, but first a few facts about this case.

From 2003 to 2014, the Coffee House was a government-subsidized shelter for the homeless. The main function was hospitality and adult social day care, along with some assistance. Behind this the function was to limit the inconvenience of homeless people on the street. In addition, there was already a combination with a vintage clothing store back then. Homeless people often get clothes from recycling. By offering part of it for sale, the Coffee House added income to the subsidy: in 2014 this was € 50,000 on top of the subsidy of € 300,000. This subsidy was the largest part of the income. Of the total of € 350,000, 250,000 went to staff costs, 40,000 to the building and 60,000 to other items such as assistance and coffee, which was free of charge for the homeless.

Since 2014, the Coffee House has also been a low-threshold shelter that is open daily to everyone, especially the homeless. People from the latter group must have been members since that time to participate in the Coffee House activities. Currently around 70 people are coming, and the number is growing, they are members, previously around 50 people were coming. For the members, the Coffee House is a home base where they can meet, eat, and drink cheaply and relax. Members can work as a volunteer through the Coffee House for a small fee of approximately € 15 per day, approximately equal to their daily living expenses. The neighbourhood is intricately linked to the Coffee House through the functions that the homeless perform daily.

Analysis

Adult social day care

The name Coffee House says it all, it is primarily a catering establishment. Members can eat and drink there and it cost the Coffee House € 48,000 last year to offer this cheaply. That does not mean free, compared to a total of € 67,000 in costs and € 19,000 in income; together 48,000 losses, but that is part of the hospitality function. This loss is kept under control by local entrepreneurs who donate food that is sold to the homeless at the Coffee House. Hospitality and adult social day care share the building, the joint office, administration costs and storage areas and as a result both have fewer costs than they would have separately. They share these with yet other functions, such as the vintage clothing store, which further reduces costs per function.

Is the Coffee House primarily a means to offer adult social day care, or a means of limiting nuisance from homeless people in the neighbourhood? It is both, just as in the example of housing and care in the previous section there is a double effect. As a means of hospitality, the Coffee House has the value of limiting the negative side effect of the presence of homeless people in the neighbourhood, the inconvenience they cause. As a positive side effect, the Coffee House has improved the well-being of homeless people by offering them adult social day care. It saves costs for limiting nuisance, now that this day care is already being paid for, and vice versa, while the quality increases.

The quality of the limitation of nuisance increases by doing so in the form of offering adult social day care. The quality of this care increases as it is less associated with nuisance and can therefore be embraced by the neighbourhood. There is a dual effect, and the prerequisite for this is that the means is suitable for both goals or is made suitable for it. Certainly because of its location in the shopping street, the Coffee House has always been suitable for both goals and for subsequent goals. Adult social day care for homeless people is also offering clean clothing by getting clothing from recycling and the presence of washing machines. Deployment of these resources, and of space in the Coffee House, already resulted in the vintage clothing store before 2014.

Vintage clothing store

The clothing store is a positive side effect of using the Coffee House as a means to offer day care, because part of working for homeless is working with second-hand clothing and cleaning clothing. Additional conditions are location in a shopping street in which a vintage clothing store fits perfectly, sympathetic appearance as part of offering day care, and location in a prosperous neighbourhood with residents who give away and buy a lot of clothing. They like to do this in this shop, because the homeless people of the Coffee House give a lot back to the neighbourhood, especially with city cleaning and green maintenance. Several following positive side effects arise, of which clean clothing for the homeless has already been mentioned. Another is employment in the clothing store for some homeless people.

Recycling clothing is also mitigating a negative effect, namely throwing away good stuff, which is bad for the environment and the stock of raw materials. There is also considerable income from clothing sales, last year € 58,000. This mainly goes to the primary goals: more well-being and less nuisance due to the adult social day care. In this way, a lot intertwines and the following example of dual effect is revealed: the Coffee House makes the neighbourhood better and the neighbourhood makes the Coffee House better. To show their appreciation for this, almost all retailers have had a moneybox in addition to their cash register since 2014; that generates around € 63,000 annually. They see how the value of the Haarlemmerstraat increases as a shopping street and that helps them in the competition in which they must participate as retailers.

City Cleaning

When dealing with the monastery square in Kloosterburen, we showed what happens when people become the means in addition to material things such as buildings and gardens. Then following and important positive side effects are discussed and that is no different in this Coffee House case. In times when there was still a subsidy, the labour power of the homeless was ignored. By making full use of this, various subsequent positive side effects are exploited, and negative side effects are reversed. That starts with the Haarlemmer Heroes, a team of Coffee House members who keep the neighbourhood clean.

The Haarlemmer Heroes sweeps four times a week in the neighbourhood and they also keep the playgrounds clean. An important positive side effect of this is the improvement of the quality of adult social day care. Before 2014, the homeless were a problem that was controlled by keeping them within the Coffee House as much as possible. The effect of this form of day care on their well-being had much less quality than the effect of the form that has now been chosen and wherein homeless people go outside. By making a commitment to the neighbourhood, they feel taken seriously, also because they receive income for it, and contribute to the quality of the neighbourhood instead of compromising it. Here again there is an example of a double effect.

Positive side effect of day care is a clean neighbourhood, and positive side effect of keeping the neighbourhood clean is better day care. In addition, an effect is added: keeping the neighbourhood clean means reducing the negative side effect of nuisance caused by homeless people, and a positive side effect of less nuisance is a better acceptance of the Coffee House by the neighbourhood. The municipality not only has a clean neighbourhood, but also less worries about nuisance. In return, the municipality pays € 40,000 for the sweeping activities. The municipality gets even more for that money, because a clean street also contributes to social safety, which is normally an item with substantial costs for the municipality.

Green maintenance, the Haarlemmerbuurt green project

Contributing to social safety is counteracting the negative side effect of the degeneration of a neighbourhood. The Coffee House contributes to regeneration and does this by installing and maintaining planters in the neighbourhood. That is primarily a positive side effect of the sweeping team. By making this a success, the road is paved for this green maintenance by homeless people. Secondly, there is a repetition of almost everything that takes place in terms of effects with the sweeping team, both for the neighbourhood and for the members, and for the Coffee House. The difference is that the neighbourhood is not becoming cleaner, but greener. Green provides greater

**the Coffee House makes
the neighborhood better
and the neighborhood
makes the Coffee House
better**

living quality, more biodiversity and climate adaptation when with a lot of green. The municipality paid € 24,000 for greenery maintenance last year.

Miscellaneous: room rental, painting materials, cargo bike rental

In the meantime, the area wherein the homeless people of the Coffee House are working extends further. The green is now also maintained in the Westerdok and new areas of green are on the agenda; these are of such a size that there will be some positive effect on climate adaptation for the city. In addition, the sweeping team is active in the Westerdok and in “de 9 Straatjes” (the nine streets), neighbourhoods outside the Haarlemmerstraat. This is an increase in scale, comparable to what is also happening in the monastery square case. Another form of scaling up is renting the room in the Coffee House after closing time for the homeless, so that the time is extended during which the building is exploited. This resulted in € 2,000 last year.

This is not the end of the story, because there is a steady growth of goals that deliver revenue. The last two activities that we deal with here are painting material and cargo bike rental. The store is left with unsaleable clothing, rags. They are cut up and sold to painters, which resulted in € 1,000 last year. Just as we see room rental as an increase in scale of the exploitation of the building, we see this as an increase in the sale of clothing. It goes too far to regard room rental as a positive side effect of the building, and to see rag sale as a positive side effect of clothing sales. Then a new and different purpose would be served, and that is not the case in both examples, they are about scaling up.

Finally scaling up and combating negative side effects are the case when renting a cargo bike. The clothing store purchased a cargo bike, but it was not used part of the time. By renting it out - including the driver - you can create an increase in scale again. Rental takes place with a homeless person as a driver. Many of these people suffer from problems, often addiction problems. Giving them work, such as on the cargo bike, is a way to counteract negative side effects of their existence (Allcott, Sunstein). This goes beyond their well-being, because it can reach the point that it has therapeutic value, although the Coffee House cannot or will not offer therapy.

Community

Giving clothing and purchasing in the store is a way in which the neighbourhood is connected to the Coffee House. The community is important, as evidenced by the donations of money and of food from the shopkeepers. They do this because the Coffee House helps to strengthen the competitive position of the Haarlemmerstraat, but also as a member of the community. Just like in the monastery square case, there is a double effect here, because the Coffee House contributes to the sense of community. A positive side effect of the Coffee House is the creation of a greater sense of community between residents, entrepreneurs and the homeless. A positive side effect of the community among all these people is the Coffee House that otherwise could not continue to exist.

Value

The municipality stopped the subsidy in 2014 because, in its opinion, illegal homeless people are not eligible for adult social day care. This is the target group of the Coffee House. This group is not eligible for this day care, let alone therapy. The Coffee House cannot offer the latter, but it does offer day care. Thus, since 2015, the Coffee House offers as an independent operation what was offered up to then with a subsidy from the municipality. This is possible because the Coffee House now offers so much more: city cleaning, green maintenance, painting materials, cargo bike rental, room rental and the clothing store, which was already there before 2015. For all this there is money, but everyone can see that much more social value is delivered.

Already in 2015, a positive result of € 10,000 was achieved, partly because the municipality still covered a few costs in a transitional arrangement. In addition to the extra income that has been worked on since then, staff costs have fallen sharply. In 2014, these were € 250,000 of the total turnover of € 350,000. Now they only amount to € 50,000, because the Coffee House is largely run by volunteers and the homeless themselves. There is, however, € 12,000 for the allowances for the work of the homeless, so in fact they are part of the personnel costs. The amount of € 63,000 for donations is welcome, but it is also earned, there is much added value for the neighbourhood. Since 2014, the neighbourhood has supported the continued existence of the Coffee House.

In summary, the Coffee House comes from a situation of reaching around 50 homeless people with a budget of € 300,000 and the second-hand clothing store, which contributed € 50,000 extra. Apart from that store and limiting nuisance, there was no effect on the environment. From 2015 onwards, work has been done without a subsidy on a result that reached around 70 homeless people in 2018 with considerably more effect on the environment and a budget of € 179,000. Even before our conclusion below, this leads to the conclusion that integrated action can be particularly effective. In any case, considerably more effective than the work of subsidized institutions with a single purpose. It also creates favourable conditions for companies that must survive in competition.

Income 2018		
catering	19.000	
clothing	59.000	
city cleaning	40.000	
green maintenance	24.000	
painting material	1.000	
cargo bike rental	5.000	
room rental	2.000	
donations	63.000	213.000
Charges 2018		
catering	67.000	
allowances	12.000	
employees	50.000	
housing	40.000	
other	10.000	179.000
Result		34.000

Conclusion and recommendations

Cases such as the monastery square in Kloosterburen and the Coffee House shed new light on action because they show that a means can be used for two or more goals. This contrasts with current action theory in areas such as public administration, business administration and economics. All required means are used to achieve one goal. That fits with competition: only those who reach the goal faster and cheaper will be the winner. So, they throw all the necessary resources into the fight. It is not appropriate to use such means for a second goal, especially when this is not a direct goal for them. Now that cases such as the monastery square and the Coffee House show their success, it is necessary to distinguish between types within action theory, competition, and integration.

Competition forces to ignore side effects, spill-over effects, positive and negative. If your competitor ignores this, you lose if you work on these side effects and incur costs. Competition only takes costs for measures such as adaptation and mitigation if that is enforced. This results in degeneration when the environment is not resilient enough to absorb the negative side effects. Integration shows that this can also be done differently. Positive side effects become a means to the next goal. They build the resilience of the environment so that it is better able to absorb the blows of negative side effects. In other words, integration ensures a reduction of spill-over effects by using the positive effects and using these to eliminate the negative effects as much as possible.

Even though the environment is resilient enough to cope with the blows, the competition shifts negative side effects to the environment. That is expensive for society and society also lacks opportunities by not using positive side effects in the competition. This does not incur costs on the winners, but on society, and that ultimately includes the winners. This way of acting is dominant and integrated action will have to prove itself as a better alternative. How can we demonstrate that integrated action is better? We have tried that, but we have avoided placing integration as an alternative to competition. It comes alongside and is often better than competition, but not always. In anticipation of further research, we can already elaborate on this.

To begin with, integration and competition can co-exist perfectly well, just look at the retailers in the Haarlemmerstraat who appreciate the services of the Coffee House. In Kloosterburen too, competition benefits from integration, such as the sale of houses and tourism. There the community organizes itself to collectively purchase health care and energy, which also benefits providers that operate in a competitive environment. We observe that there is a symbiosis between on the one hand initiatives that act integrally and on the other hand market parties in a competitive environment. Certainly, the Coffee House shows that there is much less evidence of this symbiosis among governments and providers of subsidized services.

The government offers services such as city cleaning and green maintenance, and with subsidized institutions the government offers services such as adult social day care. Although these are public services, they fit within competitive action and not within integrated action. Such services are all about achieving a single goal and using all necessary resources for that purpose. The Coffee House offers these services as part of integrated action and with much more success. Integrated action is no alternative here to competition, it replaces competition, but why? An answer can be found by looking at perhaps the oldest example of integrated action, the dyke on which there is also a road.

A road is such an obvious positive side effect of a dyke, and the construction of a dyke is such a unique work that it is almost strange not to have a road on it immediately. The initiators of the Coffee House also think like this: sweeping the neighbourhood is an unmissable opportunity to improve the well-being of a very vulnerable group of people. At the same time, you can arrange

sweeping properly and affordably. It is also a chance for more effect, such as better social safety. The municipality of Amsterdam profits has realized this and made a turnaround.

City cleaning is still a goal for the municipality. All necessary resources are still used for this, but now differently. Instead of looking for the best means with the lowest costs for cleaning, the municipality now looks for means that are just as good and cheap, but that in other areas also lead to cost savings and realization of benefits. Just like the road on a dyke, this is an unmissable opportunity. The condition is that the person giving the opportunity, in this case the municipality, also benefits from it.

More research into more cases will hopefully lead to a better understanding of the relationship between integration and competition. We can now offer no more based on the cases that we have studied. We think that it has become clear enough that integration and competition are two additional forms of action that can reinforce each other. Depending on the situation, integration can bring major benefits to social initiatives.

Recommendations

We know in this publication we do not provide conclusive evidence for the statement that in cases such as the monastery square and the Coffee House sufficient resilience is realized to be able to cope with all the negative side effects in the environment. Every observer will recognize the difference

that is made in these cases but drawing up such a balance is something to investigate further. That is our first recommendation, and it concerns: further research and more experiments.

See which positive side effect is most likely for the next action

Our second recommendation concerns practice, including the initiators of cases such as the monastery square and the Coffee House. For each means, think about the next goal you can achieve with it. In other words, see which positive side effect is most likely for the next action. Do not make the mistake of choosing actions without looking at the side effects,

because then you might skip a step. For the Coffee House, working with green came after the sweeping team and not before, because sweeping was easier to explain than green, but green was easy to explain after sweeping.

Our third recommendation is financial, because initiators are always looking for money. Even with strong examples such as the monastery square and the Coffee House, money remains a problem because financiers are not used to integrated solutions. The argument in favour of these solutions is the autonomous growth of integrated action, whereas more and more values are created at increasingly lower costs, because the costs are shared. Competitive action cannot compete with that, but how do you demonstrate that? For example, how do you show a municipality that it profits when homeless people sweep the neighbourhood?

To demonstrate the business case of an activity, people often use a business model canvas. However, they are made for activities that fit within competitive action. Working with positive and negative side effects does not fit in with this. We are not (yet) going to make a canvas for integrated business cases, but we can outline what strong points you must show to an investor or financier if you want to get his cooperation. These are five strengths that someone with a competitive rather than an integral business case can never show:

1. Your activity is an excellent means to an end

Even if you do it in a completely different way, your efficacy is at least as good as that of everyone else, so you deserve a fair compensation for that. Think of maintenance of public green but then differently, because of homeless people, who provide an equally green street.

2. Share costs

Your activity is the positive side effect of an ongoing activity, so your costs are low because you share it with the ongoing activity. The homeless have already been mobilized to work on city cleaning and can easily be used for maintenance of public green.

3. Your activity also has positive side effects

There are next activities that are made possible by the activity that you are now focused on. Those activities are more likely to achieve a positive business case because they will share costs with you and because they will generate income. Making painting materials and renting out a cargo bike follow very easily from the clothing store.

4. Your activity saves costs for others on negative side effects

Your activity means adaptation or mitigation of someone else's problems. He is therefore better off and wants to pay you for it. Even if he is unable or unwilling to pay, you still relieve these problems and that is of social value anyway. The municipality of Amsterdam will get more social safety. It does not pay for this directly, but indirectly by paying for city cleaning and maintenance of public green.

5. Your activity can be bigger

See if your activity qualifies for scaling up; can this activity be used for longer, in more places, for more people? Both the sweeping team and the maintenance of public green will cover larger areas.

Our last recommendation concerns people with an interest in economics and especially new economics. It appears that bottom-up, from social initiatives, insights are provided with which we can boost the new economy at the microeconomic level. They offer integration as an alternative to competition as a guiding principle in the economy. Our recommendation is to further test this with initiators and active residents and to see when integration and competition apply within the work of governments, companies, and social institutions.

Acknowledgment

The authors thank Jasper Klapwijk, Niek de Vreeze and Anne Hilderink for their input in our research of the monastery square case. We again thank Jasper and Niek, and Roel Piera, for their input in our research of the Coffee House case. Jasper will publish a business administration elaboration of this case early in 2020. Thanks to Joris Tieleman for his comments on earlier versions of this text. We are also grateful to be able to present earlier versions during the Rethinking Economics conference at the University of Amsterdam on May 18 2019, and during a seminar of the Repolis research group at Erasmus University Rotterdam on October 8 2019.

About the authors

Jurgen van der Heijden works as a sustainable economy consultant for AT Osborne. As a volunteer, he is chairman of the Dutch Association of Care Cooperatives, and of the Association of Energy Cooperatives and Initiatives in the province of North-Holland.

Maarten Nijman is director at Our New Economy and coordinator for The Great Transition and is also an independent consultant on sustainable process improvement. As a volunteer, he is involved in various transition initiatives, locally and nationally.

Bibliography

- Allcott, Hunt, Cass R. Sunstein (May 2015), *Regulating Externalities*, Working Paper 21187 <http://www.nber.org/papers/w21187>, NBER WORKING PAPER SERIES
- Barad, Karen (2007), *Meeting the Universe Halfway*, Duke University Press, Durham, London
- Hansen, Rieke, Stephan Pauleit (2014), From Multifunctionality to Multiple Ecosystem Services? A Conceptual Framework for Multifunctionality in Green Infrastructure Planning for Urban Areas, *AMBIO* 2014, 43: 516–529.
- Harré, N. (2018). *The Infinite Game*. New Zealand: Auckland University Press.
- Minkman, Mirella M.N. (2017), *Innovatie van organisatie en governance van integrale zorg, 'Verlangen naar Integraliteit'*, Oratie Tilburg University
- Puts, Hanneke, Jurgen van der Heijden (2017): Future value as the basis for multiple investments, *Foundational Economy Working Paper 4*, August 2017, see www.foundationaleconomy.com.
- Raworth, K. (2017). *Donut Economics*. London, United Kingdom: Random House Business Books



This work is covered by a Creative Commons Attribution-Share Alike 4.0 International License.

Our New Economy publications do not necessarily reflect the vision of Our New Economy. We want to boost research in the field of New Economics and feed the social debate.