



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 publication¹ 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

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Introduction

Every child in the Netherlands used to learn about the Hondsbossche seawall in geography class. It was once simply a dyke, reinforced with stone. Today, it is also a nature reserve. Nature makes the dyke safer than stone alone, and the area can additionally support recreation and sustainable agriculture. This is an example of integration. A simple definition: the use of a single means to achieve two or more successive goals. Such as a dyke that serves sea defence, nature, recreation, and agriculture. Active residents are champions of integration; with the greatest ease, they deploy virtually any means for two or more goals.



Image 1. Using a single means for two or more goals: a dyke and a road (image: Pxhere)

The Netherlands has at least eight hundred residents' initiatives focused on well-being, care, and housing. Most begin by organising activities around well-being: cooking and eating together, cycling, watching films, reading books... in short, anything that promotes well-being. For instance by combating loneliness. It is well established that greater well-being helps promote health. For many initiatives, this is a stepping stone towards residents jointly hiring home care, and at a later stage district nursing. This enables people to live at home for longer, with the result that they come to appreciate their living environment more. Increasingly, residents' initiatives are working together to make homes age-friendly, and even establishing residential care homes. Thus, well-being first serves as a means to promote health, then as a stepping stone towards organising care, and finally towards better wellbeing.

Integration brings a new perspective on the economy

The Netherlands has at least five hundred residents' initiatives focused on making energy use more sustainable. The core of their activity is saving energy and generating it sustainably. For example, by using their own rooftops for solar panels. Many simultaneously work on sustainable mobility, climate adaptation, health, poverty alleviation, and employment. There are also thousands of local green initiatives across the Netherlands. Active residents deploy that greenery to work on well-being, food, health, care, climate adaptation, biodiversity, and employment. Like the residents' initiatives focused on well-being, care, and housing, those focused on energy and on green spaces deploy their means towards successive goals. We call this integration.

Integration brings a new perspective on the economy. Step by step, additional functions are added to existing ones. Consider the home that develops into a power plant and a place for nature. The subsequent functions are a charging point for an electric car and a contribution to health, for instance, through a green roof that cools the house and purifies the air. Regrettably, this integration plays no role whatsoever in economic thinking. On the contrary, competition is central and it actively undermines integration. In conventional economic reasoning, you choose between housing and nature, and you work out how much nature must yield to housing, or vice versa. There is no room for the idea that nature is remarkably beneficial for housing, and that the living environment can deliver a great deal of natural quality.

Few developers offer an integrated package of housing combined with energy generation, nature, and health, as long as their competitors offer only housing. Buyers quickly opt for housing alone, because it gives them the most square metres for their money. They accept that in the long run they will face higher costs for energy, nature, and health. Society bears higher costs too, as competition erodes integration and that is a loss for everyone.

This loss can be offset if, after the fact, the home is integrated with sustainable energy use, nature, health, and much more, but is that enough to compensate? Is competition not in fact too expensive, for individuals and for society? Can integration serve as a serious alternative?

These questions cut straight to the heart of the matter, because integration remains an unfamiliar phenomenon for many. We will therefore introduce it through the example of the village of Kloosterburen in the Dutch province of Groningen. Drawing on the facts from that and other examples, we develop a theory of integration as an alternative alongside competition. We substantiate the usefulness of this theory by applying it to the case of the Coffee House in the Haarlemmerstraat in Amsterdam. This application yields new ideas that warrant further research, but which we will nonetheless discuss. We conclude with recommendations for building an integrated economy.

Case Study Kloosterburen (Monastery Square)

Kloosterburen is home to one of the oldest monastic sites in the country, with a history dating back to the twelfth century. Within the Monastery Square (Monastery Quarter), key features include: 1) the Nicolaas Church, 2) the monastery garden, 3) the Olde Heem care home, 4) a monumental farm, and 5) a small animal park. Abundant greenery lies between these structures.



Image 2. The Monastery site of Kloosterburen (Source: Google Maps; SintJan 2007).

Between 2000 and 2015, the population of the municipality of De Marne, of which Kloosterburen is part, decreased by 6.6%. Consequently, local facilities diminished. Health providers withdrew from the area, and the physical living environment fell into disrepair. Monumental buildings and the monastery garden suffered from poor maintenance. This degeneration was reversed starting in 2006 through regeneration driven by residents who took the initiative themselves. They founded the Sint Jan Foundation and later established the Klooster & Buren cooperative. Today, many people are involved in this residents' initiative. With the Monastery Square as its core, the initiative now spans five villages: Kloosterburen, Hornhuizen, Kruisweg, Kleine Huisjes, and Molenrij, serving a total population of 1,500 residents.

The aim of the Sint Jan Foundation is to strengthen the liveability of the area by connecting care, work, housing, and culture (heritage conservation). The foundation's first step was to provide adult social day care for people with disabilities. Subsequently, the church, followed by the monastery garden, the deer park, and the care home, came under the foundation's management. Beyond day care, more goals were set: maintaining the library, operating the church building, providing housing for care clients, and making buildings sustainable. When the elderly care provider 'Zonnehuisgroep' left the area in 2015, the option emerged for the community to become a care provider itself. The Klooster & Buren cooperative was established in 2016 to facilitate this.

The cooperative has three main goals. First, it aims to provide a pleasant living environment for people of all ages and backgrounds who cannot live independently for some reason. Second, the cooperative seeks to preserve cultural-historical heritage in one of the earliest inhabited areas in the Netherlands. Third, the focus is on nature conservation, environmental management, and creating a healthy ecology. These three primary goals largely align with those previously set by the Sint Jan Foundation. Both the foundation and the cooperative stand out because of their ability to connect quite different goals.

It is common in society and the economy for an organization to set a single goal and pursue it as effectively and efficiently as possible. This is known as specialization, and it does not easily accommodate the connection of diverse goals. What is striking within the Monastery Square in Kloosterburen is how linking goals leads to effectiveness and efficiency per goal that would not be possible if these goals were implemented individually. For example, the church is heated with energy generated by solar panels on the Olde Heem, and meals served at the Olde Heem contain vegetables grown in the monastery garden.

Adult social day care for people with disabilities ensures the maintenance of the monastery garden. In this way, the quality of this day care increases because working with greenery has therapeutic value. At the same time, the garden receives more time and attention than if a paid landscaping service were responsible for it. Thus, goals reinforce each other within the Monastery Square. Another example is the provision of care for both the elderly and people with disabilities by the same care team. Many care tasks for these two groups overlap; normally, these tasks would be performed twice. By connecting these two forms of care, time and money are saved.

**Adult social day care
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Connecting goals also creates room for sustainability and innovation. For instance, an energy-saving project at the Olde Heem resulted in the establishment of an energy cooperative. This offers every member of the Klooster & Buren cooperative the opportunity to own solar panels, thereby saving money and contributing to sustainability. Furthermore, the residents' initiative enables innovative developments. Experiments are being conducted with "alternative forms of sustainable construction," and a unique personal alarm system for the residents of Olde Heem was spontaneously developed during this process. Additionally, a wide range of socio-economic effects can be observed.

The number of residents in Kloosterburen is currently stable, and people are even moving there because they wish to grow old in the community they have created. House prices in Kloosterburen are higher than in surrounding villages; facilities are increasing rather than decreasing; better care is being offered; and there is a stimulus to the local economy through local purchasing power and rising tourism. All these socio-economic effects are underpinned by the emergence of a 'community'. By linking goals, activities, and developments, space is created for everyone to join the project. This creates a vital community where everyone can participate: young and old, disabled and able-bodied, residents and entrepreneurs alike.

Theory

Integration and competition

Not every initiative succeeds in Kloosterburen, yet every observer will recognize that the work of the Sint Jan Foundation and the Klooster & Buren cooperative makes a difference. A key explanation for this is the fact that work aimed at one goal is utilized to achieve the next goal. This does not mean that specialization has become obsolete; specialists in care, food, and energy are also active in Kloosterburen. What stands out is the connection between these specialisms, which aligns with what is increasingly known as integration. It is also striking how this process continues in Kloosterburen with growing impact: initially leading to regeneration, and now to renewal.

Integration is central to the upcoming Dutch Environment Act, yet no one formally called for or enforced this. It emerged during the legislative process over the last decade, almost as if it was in the air. In more and more places, people use the term 'integration' or synonyms to describe what they do. EU officials speak of the 'integrated approach'; others talk about multiplicity, function combination, multifunctionality, inclusiveness, the holistic approach, or linking interests (Puts, Van der Heijden). A prime example is healthcare, where many draw inspiration from 'positive health': an accumulation of goals such as well-being and a good living environment that promote health, thereby preventing demand for care services (Minkman, 2017).

In solving social issues, choosing integration is not yet common practice; instead, competition is the standard. This puts companies on edge, as do governments and their political leaders. If all goes well, clear goals are achieved that benefit society. In this way, competition directs the market and government, forcing them to opt for a distinct goal. A company or government deploys all necessary means for this purpose; once the goal is achieved, the battle is won. While these means could serve further purposes, the pressure to compete hardens, and the inclination to use them for other ends diminishes. Integration, by contrast, is the deployment of every means towards as many goals as possible. This establishes integration and competition as two opposites, forming a useful basis for our theory.

Acting

Two types of acting

Acting, defined as the deployment of resources towards goals, is an everyday subject covered extensively by scientific literature. It is therefore surprising that there are fundamentally two types of action. One is well-known; the other is emerging. The well-known type involves setting a goal and using all necessary means to achieve it. Think simply of preparing a meal using ingredients, a heat source, pans, and manpower. This way of acting is so familiar that it has come to define the very concept of acting itself. Alongside this exists the deployment of a single means towards as many goals as possible. Consider the simple example of a dyke that also serves as a road. This is known as integrated action, and this insight has been gaining traction over the past thirty years.

With this second approach to acting emerging, a clear distinction is necessary. Setting a goal and deploying all necessary resources for that purpose can no longer be called 'acting' alone. In other words, a name is needed for this specific mode, and the choice falls on **competition** or **struggle**. The argument is that choosing one goal in this manner implies that the choice for other goals becomes

impossible; those goals are abandoned. Driven by the economic principle of scarce resources, availability is allocated to the chosen goals rather than to the discarded ones.

In integrated action, resources are equally scarce and a goal is selected, but other goals are not necessarily lost. For instance, choosing a dyke does not exclude the possibility that it also functions as a road. The slope used as flood defense is also suitable for constructing a road. Building a dyke has always been extremely expensive, making it obvious to utilize it immediately for road construction. People have drawn this conclusion in increasing numbers of situations for about thirty years. During this period, the first care farms and community schools were established, and thousands now exist. There are also numerous other examples, such as green roofs, road surfaces that absorb and store heat, and sports clubs offering childcare.

The dyke with a road is a beautiful, old example of integrated action, yet for a long time it remained one of the few examples. Social pressure is high to opt for struggle, and therefore for a single goal, ignoring the extra possibilities a means offers. Why is there this struggle? Several reasons apply. First, it is difficult not to fight if someone else starts fighting: if someone can produce faster, you must either work for their company or invent an even faster production process. Second, success can be viewed in two ways: through continuity or through growth and profit. By linking the definition of success to growth and profit, a system is created where there are losers. This is how competition works; you must participate unless a government prohibits it, though even governments are bound by the rules of competition.

In a fight, the rule is to lose or win, and it is difficult not to participate, even for a government. A government jeopardizes its own position if it prohibits a cheaper production process while another country permits it. This may occur even at the expense of safety, nature, or employee salaries. Thus, opting out of the competition is difficult. To win, a single, clear goal is chosen because competing for two goals simultaneously is not feasible. If competition forces you to invent a cheaper production process and produce accordingly, you are not working on anything else at the same time. The only apparent option seems to be to go into battle, choose a single goal, and ignore the extra possibilities that a means offers.

Niki Harré describes the dilemma of struggle in game terms: you can play a game in two ways. One way is to play to win. These games feature battle 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). She draws a parallel with nature, where hardly any waste occurs and many resources can be used for various purposes (Hansen, Pauleit). In competition, however, the need arises to use all necessary resources as cheaply as possible. Materials, labor, space, and time must become cheaper to access as the struggle intensifies. Moreover, if the prevailing idea is that resources are infinitely available because the planet appears large enough, there is no need to use resources for two or more purposes.

The need for change now comes from the planet: the necessity to use resources for two or more goals exists because resources are no longer self-evidently available or cheap. 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 obtain, but also because they can run out. The inner ring indicates that in the struggle to continue acting, 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 heat or, even better, combine all four functions. Our dominant course of action clashes with the hard limits of the planet; integrated action joins competition as an alternative course of action.

**integrated action
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an alternative
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Positive spillover effects

Every action begins with the desire to achieve a certain goal. We call this goal the intended effect. In addition, there are positive and negative spillover effects, collectively known as spillover effects. The most well-known are the negative spillover effects, because much government action and law focus on counteracting the harmful consequences of what people do in their daily lives. Consider, for instance, nitrogen emissions that damage the environment so severely that the law prohibits virtually any activity leading to further emissions. Less well-known are positive spillover effects because they are often ignored. Think of residual heat that was flared from chimneys for an excessively long time but is increasingly being recovered nowadays.

Competition exerts pressure to ignore both positive and negative spillover effects: the positive ones because it pays more to invest time in the intended effect, and the negative ones because countering them costs money. Integrated action also starts with a single goal, such as providing adult social day care for people with disabilities in Kloosterburen. A crucial difference is that positive spillover effects are not ignored but are utilized effectively: their daily activities consist of maintaining the monastery garden and producing vegetables for meals at Olde Heem.

The Monastery Square in Kloosterburen demonstrates an accumulation of effects. We see a pattern in this and unravel it below in six steps:

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

Unraveling the Kloosterburen case starts by distinguishing intended effects, such as adult social day care for people with disabilities. This day care serves as a means to the goal of therapy. By conducting daytime activities in the garden, positive spillover effects arise: good maintenance of the garden and production of vegetables. These effects then become the means to serve other goals. Maintaining the garden helps maintain an attractive living environment for everyone in Kloosterburen. Producing vegetables serves the goal of providing healthy and affordable food for the residents of Olde Heem. Positive spillover effects are not discarded but become the means to another goal.

2. Double effect

Effects accumulate, which saves money and delivers extra quality. Savings are realized by not having to buy vegetables on the market. The quality is high because clients in the day care have the time and attention to grow organically. The costs of this day care also decrease because it takes place close to home in a suitable location. Moreover, the quality of the therapy increases because many clients benefit from working in the garden. Not only does the therapy improve the garden and its products, but the garden and its products also improve the therapy. This doubling of effects is particularly valuable because, while costs continue to fall, quality simultaneously rises.

This doubling of effects occurs frequently with integrated action. The example of housing and care can support this. The goal is a good living environment; the home is the means, and it yields better care as a positive spillover effect. For many care clients, the quality of therapy increases through care provided in their own homes. This spillover effect again serves as a means to a good living environment: the quality of the home increases when people know they can age there even if they need care. The concept of intra-action explains such doubling. Compared to interaction, intra-action indicates how phenomena like living and care have a relationship in which they intervene in one another. They change as a result, whereas this does not happen with interaction (Barad). Far from all effects participate in intra-action or doubling. In Kloosterburen, for example, maintaining 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 spillover effects that become the means to sometimes unexpected new goals. For instance, work on making Olde Heem sustainable spontaneously led to an alarm system for residents. This positive spillover effect stems from the people involved. Their creativity can produce endless effects of this kind. Another example is the provision of care for the elderly and people with disabilities by the same care team in Olde Heem. Although many care tasks for these groups overlap, they are normally not performed simultaneously. Combining these two tasks saves time and money and can increase the quality of care and work, as caregivers 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 spillover 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 distinguish it from two other patterns: scaling up and competition. Scaling up appeared when making Olde Heem more sustainable: the solar panels can also be used for heating the church. This is not a positive spillover effect but rather finding an extra customer for the surplus 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 spillover effect of many people's efforts, the home seller will only collect the profit and will not pursue a positive spillover effect themselves. They simply participate in the competition on the housing market.

Not only the housing market receives a boost, but the entire economy in Kloosterburen. Tourism is increasing, and entrepreneurs can benefit from it. They may contribute to integrated action, for instance, by offering products from the monastery garden or by offering work placement opportunities for care workers. 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 to purchase resources and consider the spillover effects?

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

6. Community

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

Negative spillover effects and resilience

Acting in an integrated manner exposes a force of the economy that competition does not utilize because positive spillover effects are ignored there. Sometimes these effects are so valuable that it is worth working on them, such as the dyke and road. Residual heat was flared endlessly from chimneys, yet today it has economic value. Bycatch in fishing usually went overboard unless it concerned valuable fish; today it is forbidden to discard bycatch, so the fisherman must sell it even if it is sold at a loss. Negative spillover effects are also ignored in competition.

Acting is impossible without negative spillover effects. Try working without emitting noise, heat, or dust. It is permitted to ignore this unless prohibited by law requiring adaptation or mitigation. The most recognizable example of the obligation to consider a negative spillover effect is the law prohibiting excessive noise or the release of too many substances into the environment. Adaptation is adjustment to negative spillover effects, such as building a noise barrier along a highway. Mitigation means reducing the cause of these effects, for example, by requiring cars to drive at lower speeds or prohibiting freight traffic at night. Adaptation and mitigation often cost money. In the event of competition, negative spillover effects can be ignored as much as possible because there is constant pressure to keep costs as low as possible.

With integrated action, a continuous process of actions produces positive spillover effects that can serve for the adaptation and mitigation of the negative spillover effects produced by this process itself, and by other actions. The Monastery Square case in Kloosterburen 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 increasing. Can the village cope with this while holding on to the upward spiral? For example, does it have enough greenery to help absorb noise, heat, and fine dust from more homes and traffic? Can the development of houses and roads evolve so that simultaneously more and better greenery emerges than before, ensuring that noise, heat, and fine dust have no effect?

What we observe in a case like the Monastery Square is that people try to use as many positive spillover effects as possible. This creates value for the adaptation and mitigation of negative spillover effects. This happens step by step, in this case over 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 developing a theory in which positive spillover effects dampen or cancel out the effects of negative spillover 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 deploying a means towards two or more consecutive goals. It starts with a single goal. When using the means for that goal, the means generates a positive spillover effect that can be used for another goal. Even then, this means generates another positive spillover 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 spillover effects. In the event of competition, there is great pressure to ignore these effects as much as possible. With integrated action, positive spillover effects build resilience to absorb negative spillover 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 viewing integration as an ongoing process. Acting is an accumulation of effects, but there are patterns we find in the Kloosterburen case. With their help, we look at the Coffee House case to see how positive spillover effects become the means to a next goal, and how in some cases this leads to double effects. We pay attention to situations where people are the means, and we point out negative spillover effects, scaling up, concurrence with competition within the accumulation of effects, and the role of the community.

Coffee House Case

Introduction

The Haarlemmerstraat is located in the centre of Amsterdam, with the Coffee House (Koffiehuis) situated halfway along the street. This is a place for homeless people who are welcome almost nowhere; they may have a residence status or not, possess very little money, and often have a very limited social network. In 2014, the municipality withdrew its subsidy, yet the Coffee House survived by working towards an increasing number of goals: hospitality, adult social day care, clothing recycling, city cleaning, greenery maintenance, painting materials, cargo bike rental, and room rental. An upward spiral was set in motion, which has since led to reaching more homeless people with higher quality support than before. The number of services continues to grow, as does their significance for the homeless, the neighbourhood, and the employees.



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

In this section, we describe and explain events surrounding the Coffee House from 2014 onwards using the theory from the previous section. We analyse how the positive spillover effects of hospitality and adult social day care were utilized to first initiate clothing recycling, followed by city cleaning and greenery maintenance. We indicate how this now continues around several more diverse activities: room rental, painting materials, and cargo bike rental. In this way, the Coffee House creates value, both socially and economically, but it goes further. The Coffee House reverses negative spillover effects of others' actions 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. Its main function was hospitality and adult social day care, along with some assistance. Behind this lay the function of limiting the nuisance caused by homeless people on the street. Additionally, there was already a combination with a vintage clothing store. Homeless people often obtain clothes through recycling. By offering part of these for sale, the Coffee House added income to the subsidy: in 2014, this amounted to €50,000 on top of a subsidy of €300,000. This subsidy constituted the largest part of the income. Of the total €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 provided free of charge to the homeless.

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

Analysis

Adult social day care

The name "Coffee House" says it all; it is primarily a catering establishment. Members can eat and drink there. It cost the Coffee House €48,000 last year to offer this cheaply. This does not mean it is free; against total costs of €67,000 stood income of €19,000, resulting in a loss of €48,000. However, this loss is part of the hospitality function. This deficit is kept within bounds 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. Consequently, both have lower 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 to limit nuisance caused by 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 spillover effect of the presence of homeless people in the neighbourhood—the inconvenience they cause. As a positive spillover effect, the Coffee House improves 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 quality increases.

The quality of limiting 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 due to its location in a shopping street, the Coffee House has always been suitable for both goals and for subsequent goals. Adult social day care for homeless people also involves providing clean clothing by obtaining clothes from recycling and having washing machines available. The deployment of these resources, and of space in the Coffee House, resulted in the vintage clothing store even before 2014.

Vintage clothing store

The clothing store is a positive spillover effect of using the Coffee House as a means to offer day care, because part of the work for the homeless involves handling and cleaning second-hand clothing. Additional conditions are the location in a shopping street where a vintage clothing store fits perfectly, a sympathetic appearance as part of offering day care, and the location in a prosperous neighbourhood where residents give away and buy a lot of clothing. They prefer to do this in this shop because the homeless people of the Coffee House give much back to the neighbourhood, especially through city cleaning and greenery maintenance. Several following positive spillover 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: throwing away good items, which is bad for the environment and the stock of raw materials. There is also considerable income from clothing sales; last year this was €58,000. This mainly goes to the primary goals: more well-being and less nuisance due to adult social day care. In this way, much intertwines, revealing the following example of a double effect: 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 donation box next to their cash register since 2014; this generates around €63,000 annually. They see how the value of the Haarlemmerstraat increases as a shopping street, which helps them in the competition in which they must participate as retailers.

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

City Cleaning

When discussing 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, important following positive spillover effects are discussed, and this 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 spillover effects are exploited, and negative spillover effects are reversed. This starts with the "Haarlemmer Heroes," a team of Coffee House members who keep the neighbourhood clean.

The Haarlemmer Heroes sweep four times a week in the neighbourhood, and they also keep the playgrounds clean. An important positive spillover effect of this is the improvement of the quality of adult social day care. Before 2014, the homeless were a problem controlled by keeping them inside 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 now chosen, 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.

A positive spillover effect of day care is a clean neighbourhood, and a positive spillover effect of keeping the neighbourhood clean is better day care. In addition, an effect is added: keeping the neighbourhood clean means reducing the negative spillover effect of nuisance caused by homeless people, and a positive spillover effect of less nuisance is better acceptance of the Coffee House by the neighbourhood. The municipality not only gets a clean neighbourhood but also fewer 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 a substantial cost item for the municipality.

Green maintenance, the Haarlemmerbuurt green project

Contributing to social safety is countering the negative spillover effect of the degeneration of a neighbourhood. The Coffee House contributes to regeneration by installing and maintaining planters in the neighbourhood. This is primarily a positive spillover effect of the sweeping team. By making this a success, the path 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. Greenery provides greater living quality, more biodiversity, and climate adaptation when there is a lot of green. The municipality paid €24,000 for greenery maintenance last year.

Miscellaneous: room rental, painting materials, cargo bike rental

Meanwhile, the area where the homeless people of the Coffee House work extends further. The greenery is now also maintained in the Westerdok, and new areas of greenery 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 represents scaling up, comparable to what is also happening in the Kloosterburen case. Another form of scaling up is renting out the room in the Coffee House after closing time for the homeless, extending the time during which the building is utilized. This generated €2,000 last year.

This is not the end of the story, because there is steady growth of goals that deliver revenue. The last two activities we discuss here are painting materials and cargo bike rental. The store is left with unsaleable clothing, rags essentially. These 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 spillover effect of the building, or to see rag sales as a positive spillover effect of clothing sales. Then a new and different purpose would be served, and that is not the case in both examples; these are about scaling up.

Finally, scaling up and combating negative spillover effects occur in the case of 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 – scaling up is created again. Rental takes place with a homeless person as the driver. Many of these people suffer from problems, often addiction issues. Giving them work, such as driving the cargo bike, is a way to counteract negative spillover effects of their existence (Allcott, Sunstein). This goes beyond their well-being, because it can reach the point where 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 connects to the Coffee House. The community is important, as evidenced by donations of money and 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 Kloosterburen case, there is a double effect here, because the Coffee House contributes to the sense of community. A positive spillover effect of the Coffee House is the creation of a greater sense of community between residents, entrepreneurs, and the homeless. A positive spillover effect of the community among all these people is the Coffee House itself, which 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 independently what was offered up to then with a municipal subsidy. This is possible because the Coffee House now offers so much more: city cleaning, greenery 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 under a transitional arrangement. In addition to the extra income worked on since then, staff costs have fallen sharply. In 2014, these were €250,000 of the total turnover of €350,000. Now they amount to only €50,000, because the Coffee House is largely run by volunteers and the homeless themselves. There is, however, €12,000 for 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, as there is much added value for the neighbourhood. Since 2014, the neighbourhood has supported the continued existence of the Coffee House.

In summary, prior to 2015, the situation involved reaching around 50 homeless people with a budget of €300,000 and the second-hand clothing store, which contributed an extra €50,000. 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 cast new light on acting, as they demonstrate that a means can be deployed towards two or more goals. This stands in contrast to current action theory in fields such as public administration, business administration, and economics. In these disciplines, all necessary means are used to achieve a single goal. This aligns with competition: only those who reach the goal faster and cheaper emerge as winners. Consequently, they throw all necessary resources into the struggle. It is deemed inappropriate to use such means for a second goal, especially when this is not a direct objective for them. Now that cases like the Monastery Square and the Coffee House demonstrate their success, it is necessary to distinguish within action theory between two types of acting: competition and integration.

Competition forces the ignoring of spillover effects, both positive and negative. If your competitor ignores these, you lose if you work on these spillovers and incur costs. Competition only incurs costs for measures such as adaptation and mitigation if these are enforced by regulation. This results in degeneration when the environment lacks sufficient resilience to absorb negative spillover effects. Integration shows that this can be done differently. Positive spillover effects become the means to the next goal. They build the resilience of the environment, making it better able to withstand the blows of negative spillover effects. In other words, integration ensures a reduction of spillover effects by utilizing positive effects and using these to eliminate negative effects as much as possible.

Even if the environment is resilient enough to cope with the blows, competition still shifts negative spillover effects onto the environment. This is expensive for society, and society also misses opportunities by not using positive spillover effects within competition. These costs do not burden the winners directly but fall on society, which ultimately includes the winners themselves. This mode of acting is dominant, and integrated action will have to prove itself as a superior alternative. How can we demonstrate that integrated action is better? We have attempted this, but we have avoided positioning integration solely as an alternative replacing competition. It exists alongside competition and is often superior, but not always. In anticipation of further research, we can already elaborate on this.

To begin with, integration and competition can coexist perfectly well; simply look at the retailers on the Haarlemmerstraat who appreciate the services of the Coffee House. In Kloosterburen too, competitive action benefits from integration, such as in house sales and tourism. There, the community organizes itself to collectively purchase healthcare and energy, which also benefits providers operating in a competitive environment. We observe a symbiosis between initiatives acting integrally on one hand, and market parties in a competitive environment on the other. Certainly, the Coffee House demonstrates that this symbiosis is far less evident among governments and providers of subsidized services.

The government offers services such as city cleaning and greenery maintenance, and with subsidized institutions, it offers services such as adult social day care. Although these are public services, they fit within competitive action rather than integrated action. Such services focus entirely on achieving a single goal and deploying all necessary resources for that purpose. The Coffee House offers these services as part of integrated action with much greater success. Here, integrated action does not merely sit alongside competition; it replaces it. Why? An answer can be found by looking at perhaps the oldest example of integrated action: the dyke that also serves as a road.

A road is such an obvious positive spillover effect of a dyke, and constructing a dyke is such unique work, that it is almost strange not to build a road on it immediately. The initiators of the Coffee House think similarly: sweeping the neighbourhood is a missed opportunity if not used to improve the well-

being of a very vulnerable group of people. At the same time, one can arrange the sweeping properly and affordably. It is also a chance for greater impact, such as improved social safety. The municipality of Amsterdam has realized this and made a turnaround.

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

Further research into more cases will hopefully lead to a better understanding of the relationship between integration and competition. We can offer no more based on the cases studied so far. We believe it has become clear enough that integration and competition are two complementary forms of acting that can reinforce each other. Depending on the situation, integration can bring major benefits to social initiatives.

Recommendations

We are aware that this publication does not provide conclusive evidence for the statement that cases like the Monastery Square and the Coffee House generate sufficient resilience to cope with all negative spillover effects in the environment. Every observer will recognize the difference made in these cases, but drawing up such a balance requires further investigation. That is our first recommendation, concerning: 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 like the Monastery Square and the Coffee House. For each means, consider what next goal you can achieve with it. In other words, see which positive spillover effect is most likely for the next action. Do not make the mistake of choosing actions without looking at spillover effects, because then you might skip a step. For the Coffee House, working with greenery

came after the sweeping team, not before, because sweeping was easier to explain than greenery, but greenery was easy to explain after sweeping.

Our third recommendation is financial, because initiators are always looking for funding. Even with strong examples like the Monastery Square and the Coffee House, money remains a problem because financiers are not accustomed to integrated solutions. The argument in favor of these solutions is the autonomous growth of integrated action, where more value is created at increasingly lower costs because costs are shared. Competitive action cannot compete with that, but how do you demonstrate it? 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, these are designed for activities fitting within competitive action. Working with positive and negative spillover effects does not fit this model. We are not (yet) creating a canvas for integrated business cases, but we can outline the key points you must show an investor or financier to gain their cooperation. These are five strengths that someone with a competitive rather than an integral business case can never demonstrate:

1. Your activity is an excellent means to an end. Even if you execute it in a completely different way, your efficacy is at least as good as anyone else's, so you deserve fair compensation. Think of maintaining public greenery, but differently, carried out by homeless people who provide an equally green street.

2. Share costs. Your activity is a positive spillover effect of an ongoing activity, so your costs are low because you share them with the ongoing activity. Homeless people are already mobilized to work on city cleaning and can easily be utilized for public greenery maintenance.
3. Your activity also has positive spillover effects. There are subsequent activities made possible by the activity you are currently focused on. Those activities are more likely to achieve a positive business case because they will share costs with you and generate income. Creating painting materials and renting out a cargo bike follow very naturally from the clothing store.
4. Your activity saves costs for others regarding negative spillover effects. Your activity means adaptation or mitigation of someone else's problems. They are therefore better off and willing to pay you for it. Even if they are unable or unwilling to pay directly, you still alleviate these problems, which holds social value regardless. The municipality of Amsterdam gains more social safety. It does not pay for this directly, but indirectly by paying for city cleaning and public greenery maintenance.
5. Your activity can be scaled up. See if your activity qualifies for scaling up; can this activity be used for longer periods, in more places, for more people? Both the sweeping team and public greenery maintenance will cover larger areas.

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

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