River Publishers Series in Social, Urban, Economic and Environmental Sustainability

TOWARDS CONSUMER-CENTRIC CIRCULAR FUTURES

ENABLING SYSTEMS, UNDERSTANDING BEHAVIOUR AND CREATING SUSTAINABLE SOLUTIONS

Editors:
Olesea Plotnic
Maria Menshikova

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EUROPEAN COOPERATION IN SCIENCE & TECHNOLOGY

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Olesea Plotnic • Maria Menshikova
Editors

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River Publishers

This publication is based upon work from COST Action CA22124 – ECO4ALL, EU Circular Economy Network for All: Consumer Protection through Reducing, Reusing, Repairing, supported by COST (European Cooperation in Science and Technology).

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Funded by
the European Union

ECO4ALL
EU Circular Economy Network for All
Consumer Protection through reducing, reusing, repairing

Published, sold and distributed by:
River Publishers
Broagervej 10,
9260 Gistrup,
Denmark

www.riverpublishers.com

ISBN: 9788743816478 (Hardback)
9788743816485 (Ebook)
9788743816515 (E-pub)

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Printed on acid-free paper.

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Preface

The transition to a circular economy is often described through the language of technology, regulation, and industrial innovation. New materials, eco-design, digital solutions, and circular business models are recognized as essential factors for sustainable development. However, despite significant progress in these areas, a fundamental challenge remains: how can circular systems become an integral part of people's daily lives?

This question is at the heart of this volume.

Circularity is certainly achieved not only through the adoption of innovative policies and product redesign, but when governments, organizations, and citizens transform the way resources are produced, consumed, valued, and regenerated. In this sense, the transition to a circular economy is not simply an environmental or economic transition; it is a social transformation that requires new forms of responsibility, participation, and collaboration.

Recent research increasingly supports this systemic perspective. Rather than considering circularity as the result of technological innovation, scholars emphasize the importance of governance models capable of connecting institutions, businesses, academia, and civil society. Hassan et al. (2026) describe this collaborative architecture through the Quadruple Helix model, arguing that circular innovation emerges when different stakeholders continuously exchange knowledge, coordinate actions, and jointly create value. Circular systems therefore depend not only on better technologies, but also on stronger relationships between the actors that shape them.

Within this ecosystem, consumers occupy a unique position. They are not simply the final recipients of products and services, nor passive beneficiaries of sustainability policies. Through their daily choices (what they buy, how they use products, whether they repair, reuse, or return them), they influence markets, organizational strategies, and public policies. As Keshavarz et al. (2025) demonstrate, consumer decisions permeate every stage of circular systems, making citizens active contributors to value creation along the entire chain.

Recognizing consumers as stakeholders, however, does not mean transferring responsibility for the circular transition exclusively to individuals.

On the contrary, we advocate creating the institutional, organizational, and cultural conditions that make responsible choices possible, accessible, and meaningful. Consumer empowerment should therefore be understood as the result of a favorable ecosystem in which governance, organizational innovation, education, and public policies converge to support sustainable behavior.

This perspective also changes the role of organizations. Circular business models cannot succeed simply because they are more environmentally friendly. Their effectiveness depends on consumers' willingness to trust them, participate in them, and integrate them into their daily routines. Repair services, product-service systems, collaborative consumption, and remanufacturing all require relationships based on transparency, credibility, and shared value.

Similarly, public institutions play a crucial role in creating the conditions under which circular choices become the simplest. Effective regulation, consistent policy implementation, local governance, and collaboration between public authorities, businesses, and communities are not marginal aspects of the circular transition; they constitute its institutional foundations.

At the same time, behavioral change cannot be separated from human experience. Circular practices become sustainable when they also improve people's well-being, strengthen their sense of identity, and create positive daily experiences (Petreca et al., 2025). Similarly, Chenavaz et al. (2025) remind us that technological innovation alone does not necessarily extend product lifecycles if consumer behavior continues to favor premature replacement. Across different contexts, evidence converges on the same conclusion: technologies enable circularity, but it is people who determine whether circular systems actually work.

This volume sits precisely at the intersection of these dimensions.

Rather than considering consumer-centric circularity as a matter of individual behavior alone, the chapters collected in this volume explore the broader ecosystem that enables responsible consumption.

The underlying argument of this book is therefore straightforward: *consumer-centred circular futures are not built by changing consumers in isolation, but by redesigning the systems within which consumers make their choices.*

The chapters collected in this volume invite readers to explore the circular economy from a perspective that is both systemic and profoundly human. Instead of viewing circularity simply as a matter of technology or environmental performance, the contributors invite readers to consider it as a shared societal endeavour. Their studies, conducted across diverse national and organisational contexts, consistently show that lasting circular transitions

depend on the ability of institutions, businesses and consumers to evolve together, each contributing to the creation of more sustainable systems.

To guide the reader through this journey, the book is organised into three complementary parts. Although each section addresses a distinct dimension of the circular transition, together they form a coherent narrative that moves from the conditions that enable circular systems, to the behaviours that sustain them, and finally to the solutions that make them operational.

The first part, *Enabling Consumer-Centred Circular Systems,* examines the institutional architecture that supports circular transformation. Before asking consumers to change their behaviours, an essential question must be addressed: what kind of environment enables responsible choices? The chapters collected in this section demonstrate that circularity does not emerge spontaneously. It requires coherent governance, supportive public policies, effective institutions and collaboration among stakeholders operating at different levels.

The opening contributions explore the implementation of circular economy policies across European countries, highlighting how differences in administrative capacity, governance structures and institutional coordination shape the effectiveness of circular strategies. The discussion then moves towards the role of regional and local governments, illustrating how public administrations can translate ambitious sustainability goals into concrete initiatives capable of engaging citizens and communities. Other chapters broaden this perspective by examining collaboration among policymakers, businesses and consumers, showing that circular transformation depends less on isolated interventions than on the capacity to build partnerships based on shared responsibilities and long-term commitment. The chapters of this part establish an important premise for the rest of the book: consumer-centred circularity begins long before consumers make their choices, it begins with institutions capable of creating the conditions in which those choices become possible.

Having established these enabling conditions, the second part, *Understanding Consumer Behaviour and Society*, shifts attention to the human dimension of circular transformation. If policies and governance create opportunities, it is ultimately people who determine whether those opportunities translate into meaningful change. The chapters in this section explore how consumers perceive sustainability, how cultural values shape responsible consumption, and why trust, transparency and authenticity increasingly influence purchasing decisions.

Different empirical settings provide complementary insights into this complex picture. Some contributions investigate how consumer attitudes

vary across social and cultural contexts, while others examine the relationship between sustainability communication and consumer protection, addressing the growing concern surrounding greenwashing and misleading environmental claims. The section also explores emerging perspectives on entrepreneurship, branding and organisational legitimacy, demonstrating that circular economy is not only about changing products or processes but also about transforming relationships between organisations and the people they serve. The chapters of this part remind us that behavioural change cannot be reduced to environmental awareness alone. It is influenced by culture, trust, identity, social expectations and the credibility of institutions and organisations that promote sustainability.

The third part, *Creating Sustainable Circular Solutions*, translates these institutional and behavioural reflections into practical pathways for innovation. If the first two sections explain why circular systems require enabling environments and engaged consumers, the final part shows how these principles can be embedded into products, services and decision-making tools. The chapters of this part explore different but complementary dimensions of innovation. Some focus on circular product design, showing how modularity, durability, reuse and disassembly can extend product lifecycles while responding to consumer expectations. Others investigate the construction sector, the circular bioeconomy and new approaches to assessing organisational circularity, offering practical frameworks that support both managers and policymakers in evaluating progress towards sustainability objectives. Rather than presenting innovation as an end in itself, these contributions consistently emphasise its broader purpose: creating solutions that generate environmental value while remaining relevant, accessible and meaningful for the people who ultimately use them.

This progression - from enabling systems, to understanding behaviour, to designing solutions - is more than the organisational structure of the book. It reflects the logic of the circular transition itself. Sustainable change begins with governance, grows through participation and becomes tangible through innovation. Only when these dimensions reinforce one another can circular principles move beyond policy ambitions and organisational strategies to become part of everyday economic and social life.

The fifteen chapters gathered in this volume invite readers to rethink what it means to place consumers at the centre of circular futures. Doing so does not simply mean responding to consumer needs or encouraging more sustainable purchasing decisions. It means recognising consumers as responsible partners within a wider ecosystem, where governments, businesses, researchers and communities share the responsibility for creating systems

that are not only circular by design, but also inclusive, trustworthy and capable of generating long-term value for society.

The chapters collected in this volume do not offer a single model for achieving a consumer-centric circular economy, nor do they claim that one solution can fit the diversity of contexts in which circular transitions take place. Instead, they offer complementary perspectives that, when considered together, contribute to a broader understanding of how circular systems can be designed, governed and experienced by diverse groups of stakeholders.

A common thread runs through the volume: the transition towards circularity is not driven by technological innovation alone, nor solely by regulatory interventions or organisational initiatives. It is shaped by the continuous interaction between institutions that create enabling conditions, organisations that redesign products and business models, and consumers who translate circular principles into everyday practices. Circularity, therefore, should be understood not simply as an economic model, but as a shared process of learning, collaboration and responsibility.

From a theoretical perspective, the volume contributes to the growing debate on consumer-centric circular economy by moving beyond a traditional producer-oriented interpretation of circularity. The chapters demonstrate that consumers are not merely beneficiaries of circular products and services, but active stakeholders whose choices, values and behaviours influence the effectiveness of circular strategies. At the same time, they remind us that consumer responsibility cannot develop in isolation. Responsible choices emerge when they are supported by coherent policies, trustworthy institutions, transparent markets and organisations capable of creating value that is both sustainable and meaningful for society.

The contributions also offer important implications for practice. For policymakers, they underline the importance of developing governance frameworks that combine regulation with citizen participation, recognising that public engagement is essential for translating policy ambitions into tangible societal outcomes. For organisations, the volume highlights the need to design business models that place transparency, trust and long-term relationships with consumers at the centre of circular innovation. For managers, designers and entrepreneurs, the chapters illustrate how products, services and communication strategies can be developed to encourage responsible consumption while responding to consumers' expectations for quality, well-being and authenticity.

At the same time, the book opens several avenues for future research. Greater attention should be devoted to understanding how consumer empowerment evolves across different cultural and institutional contexts, how trust

in circular business models can be strengthened, and how emerging digital technologies may support - or hinder - responsible consumption. Equally important is the need for more robust approaches to measuring the social and behavioural dimensions of circularity, complementing existing assessments that primarily focus on environmental and economic performance. Future studies may also explore how education, public participation and interdisciplinary collaboration can contribute to cultivating a culture in which circular thinking becomes part of everyday life.

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PART I

Enabling Consumer-Centric Circular Systems

1

Gaps and Misalignments in Policy Implementation of Circular Economy

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Abstract

This article examines the persistent gaps and misalignments in the implementation of circular economy policies across EU Member States, despite the existence of a comprehensive EU-level regulatory and strategic framework. Drawing on the European Green Deal, the 8th Environment Action Programme, and the Circular Economy Action Plan, the study evaluates how legislative, institutional, and economic factors shape national performance. Using the EU Circular Economy Monitoring Framework as a reference point, the analysis focuses on low-performing Member States to identify structural obstacles such as delays in transposing EU directives, insufficient enforcement capacity, weak inter-agency coordination, limited investment, skills shortages, and inadequate consumer awareness. The findings show that policy adoption often outpaces operational readiness, with implementation gaps most apparent in waste management, material productivity, recycling infrastructure, and secondary raw materials markets. Additionally, small or import-dependent economies face scale constraints that inhibit the development of circular value chains. The article argues that achieving EU-wide circular economy objectives requires not only harmonised legislation but

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also enhanced administrative capacity, robust monitoring systems, targeted financial instruments, and stronger integration of the circular economy into industrial, labour, and fiscal policies. Ultimately, the analysis highlights that the circular economy transition is as much a governance challenge as it is an environmental and economic imperative.

1.1 Introduction

Humanity's current consumption patterns exceed the planet's regenerative capacity to such an extent that sustaining them in the long term would require the resources of multiple Earths (United Nations, n.d.). In response to these unsustainable trajectories, the circular economy has emerged as a systemic alternative to the prevailing linear model of production and consumption. Recognized as a transformative post-production business model, the circular economy seeks to extend product life cycles through reuse, refurbishment, and recycling, thereby reducing waste generation and conserving natural resources. It has been defined as "an economic system that is based on business models which replace the 'end-of-life' concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes … to accomplish sustainable development" (Kirchherr et al., 2017).

Beyond its environmental rationale, the circular economy is increasingly framed as an instrument of socio-economic transformation. It is projected to generate approximately 700,000 new jobs in the EU (Cambridge Econometrics, Trinomics and ICF, 2018) and to contribute to the ecological, social, and economic dimensions of sustainability (Stahel, 2019, p.4.). Given that transforming industrial sectors and value chains typically requires several decades, decisive action must be taken in the near term to achieve a fully circular economy by 2050 (European Commission, 2019, p.7.).

Against this background, the EU has developed an extensive legal and policy framework — including the European Green Deal, the Circular Economy Action Plan (CEAP), and alignment with the Sustainable Development Goals — intended to guide Member States in operationalising the circular transition. However, the existence of comprehensive EU-level frameworks does not automatically guarantee effective national implementation.

Despite notable progress, circular economy policy implementation across Member States continues to face persistent challenges. National frameworks frequently exhibit delays in transposing EU directives, partial or inconsistent incorporation of legal requirements, limited enforcement capacity, and insufficient integration of consumer protection and social considerations. Such gaps generate misalignments between EU-level ambitions and domestic regulatory realities.

While EU policy design in the field of the circular economy has received considerable scholarly attention, research on policy implementation and outcome evaluation remains comparatively underdeveloped. In particular, empirical studies assessing implementation effectiveness — especially with regard to social outcomes — are limited (Zhang et al., 2025). Existing literature further indicates that European circular economy strategies tend to prioritise sustainable product-oriented instruments such as eco-design and extended producer responsibility, often driven by bottom-up regulatory and market-based initiatives. Although important, this emphasis may obscure broader governance challenges related to cross-sectoral coordination, institutional capacity, and enforcement coherence.

This article addresses this gap by examining the extent to which national circular economy frameworks converge with EU benchmarks and by identifying structural implementation misalignments across selected Member States. Through comparative analysis grounded in EU performance indicators, the study seeks to illuminate the institutional and regulatory factors that hinder effective circular transition. By shifting analytical focus from policy formulation to implementation dynamics, the chapter contributes to a more nuanced understanding of governance barriers within the EU's circular economy agenda.

The following section therefore assesses EU benchmarks as a reference point for evaluating national implementation gaps and regulatory convergence.

1.2 Methodology

1.2.1 EU Policy benchmarking

The first stage establishes the European Green Deal, the 8th Environment Action Programme, and the Circular Economy Action Plan as the primary normative and strategic benchmarks. These instruments articulate the EU's long-term environmental and circularity objectives, enabling conditions, and priority indicators. The EU Circular Economy Monitoring Framework — covering production and consumption, waste management, secondary raw materials, competitiveness and innovation, and global sustainability — serves as the principal evaluative tool for assessing progress.

Given the breadth of EU environmental legislation, this study does not attempt a comprehensive legal analysis. Instead, it focuses on selected policy targets and indicators that are most relevant for evaluating national implementation performance. The analysis adopts a governance-oriented understanding of implementation gaps, distinguishing between three interrelated

dimensions: normative misalignment (incomplete or delayed transposition of EU objectives), institutional fragmentation (dispersion of responsibilities across administrative bodies), and enforcement deficits (limitations in monitoring, compliance, and policy execution).

1.2.2 Cross-country comparative assessment

The second stage consists of a targeted comparative analysis of EU Member States demonstrating relatively weaker performance according to Eurostat circular economy indicators and recent country profiles produced by the European Topic Centre on Circular Economy (ETC-CE). Countries including Romania, Greece, Cyprus, Slovakia, Bulgaria, Finland, Lithuania, and others were selected because their performance patterns illustrate recurring structural challenges in the implementation of circular economy policies.

The comparative approach enables the identification of common barriers — including institutional fragmentation, limited recycling infrastructure, weak monitoring capacity, insufficient technical skills, and low private-sector engagement — while also acknowledging country-specific contextual factors such as market size, import dependency, or resource-intensive economic structures. The barriers were identified through qualitative content analysis of ETC-CE country profiles, with findings triangulated against trends observed in Eurostat indicator data in order to strengthen analytical reliability.

1.2.3 Scope and limitations

The study relies exclusively on secondary data sources, including reports and datasets from EU institutions, Eurostat, the OECD, UNDP, and ETC-CE country profiles. It does not incorporate interviews, field research, or proprietary datasets. While this approach ensures a high degree of methodological consistency and comparability, it also means that the analysis is shaped by availability and structure of existing indicators, the analysis is conditioned by the availability and structure of existing indicators, which may not fully capture national nuances or the most recent regulatory developments.

Nevertheless, the selected methodology provides a robust analytical basis for identifying structural patterns in circular economy policy implementation and for assessing the extent to which national governance frameworks align with EU-level objectives.

1.3 Research

1.3.1 Benchmark: EU requirements and policy objectives

While a detailed analysis of EU environmental legislation falls outside the scope of this chapter, it is important to acknowledge that the European Green Deal, the 8th Environment Action Programme, and the Circular Economy Action Plan (CEAP) provide the principal strategic and normative benchmarks for the transition to a circular economy within the EU. These instruments articulate long-term environmental objectives, define enabling conditions for implementation, and establish priority indicators against which Member States' progress can be assessed. Their benchmarking function is particularly important for evaluating the alignment of national policies with EU circular economy objectives.

At the same time, the EU framework also reveals one of the key governance challenges of circular economy policy. Although EU targets are legally binding, their implementation and interpretation vary across Member States, reflecting differences in administrative capacity, institutional coordination, and regulatory priorities. Consequently, the evaluation of gaps and misalignments in national circular economy policies in this chapter is conducted with reference to the objectives and indicators established in EU policy instruments, allowing for systematic comparison without undertaking a comprehensive legal analysis of the entire EU regulatory framework.

The EU has set clear strategic objectives and policy measures at both Union and national levels. For instance, highlighting the contribution of the circular economy to the reduction of greenhouse gas emissions, the expansion of sustainable and job-intensive economic activity, the EU Green Deal used as a reference point throughout this research chapter, calls for the adoption of an EU industrial strategy, a new CE action plan (European Commission, 2019). These initiatives place circularity at the centre of the EU's broader strategy for achieving climate neutrality and sustainable economic transformation.

At the policy level, several legislative and regulatory instruments collectively shape the EU's circular economy framework. The Circular Economy Action Plan, the Ecodesign for Sustainable Products Regulation, and the Directive on common rules promoting the repair of goods seek to extend product lifespans, facilitate reuse and repair, and strengthen consumer rights in the context of sustainable consumption. These measures are complemented by the Waste Framework Directive (European Commission, n.d.) and the 8th Environment Action Programme, which establish targets for waste prevention, recycling, landfill reduction, and environmental monitoring (European

Parliament and Council, 2022). Together, these instruments form the baseline against which national policy performance can be assessed.

The 8th Environment Action Programme outlines six interconnected priority objectives relating to climate neutrality, resilience, zero pollution, biodiversity protection, and sustainable production and consumption. These objectives frame the EU's attempt to integrate environmental, economic, and industrial policy within a unified strategic framework while guiding Member States in aligning national policies with broader sustainability goals. (European Parliament and Council, 2022).

However, the coexistence of multiple thematic priorities may also complicate policy coordination at the national level. In Member States where responsibilities for environmental, industrial, and economic policy are distributed across several ministries or agencies, institutional fragmentation can create coordination challenges and weaken policy coherence. As a result, the effectiveness of EU circular economy strategies often depends not only on the quality of policy design but also on the capacity of national governance structures to ensure coordinated implementation.

Although the 8th Environment Action Programme addresses a wide range of environmental objectives beyond the circular economy, it remains particularly relevant for the present study because it identifies key enabling conditions necessary for achieving sustainability goals. These enabling conditions include effective policy implementation, enforcement mechanisms, mainstreaming sustainability across policy sectors, and the development of improved monitoring and evaluation frameworks. [1]

The Programme emphasises that monitoring progress should rely on a methodology capable of assessing the advancement of both the Union and Member States toward the priority objectives, using a set of headline indicators. (European Parliament and Council, 2022, art. 4.3.). While the set of indicators should remain sufficiently stable to ensure accountability and comparability, it may also be revised when necessary to reflect new policy developments and evolving measurement practices (European Parliament and Council, 2022, art. 4.2). The evaluation of progress therefore requires consideration not only of quantitative indicators but also of the enabling conditions necessary to achieve systemic change (European Parliament and Council, 2022, art. 4.1).

[1] The above are not the exhaustive list of enabling conditions. Fo the full list, please visit https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022D0591.

From an analytical perspective, these enabling conditions demonstrate that progress toward circularity depends less on the number of adopted strategies than on the effectiveness of their implementation architecture. Weak monitoring systems, fragmented institutional responsibilities, and inconsistent follow-up mechanisms can limit accountability even where a comprehensive legal framework exists.

In this context, while indicators play an important role in ensuring transparency and accountability, excessive reliance on quantitative measurements may obscure structural governance challenges or emerging policy issues. Effective monitoring of circular economy progress therefore requires a balanced approach that combines measurable indicators with qualitative assessments of policy integration, institutional capacity, and regulatory enforcement.

While the 8th Environment Action Programme addresses the circular transition within a broader environmental policy framework, the Circular Economy Action Plan, adopted in 2020, is entirely dedicated to advancing circularity within the EU. As one of the central pillars of the European Green Deal, the Action Plan places resource efficiency, waste reduction, and sustainable production and consumption at the centre of EU economic policy. It emphasises that the circular economy contributes to achieving climate neutrality, decoupling economic growth from resource use, and strengthening long-term competitiveness while promoting social inclusiveness (European Commission, 2020, p.2).

Unlike the Environment Action Programme, which primarily establishes strategic objectives and enabling conditions, the Circular Economy Action Plan provides a comprehensive roadmap of policy initiatives targeting specific product value chains, including electronics and ICT, batteries, vehicles, packaging, plastics, textiles, construction, buildings, and food systems. It also highlights the importance of developing additional indicators related to resource use, including consumption and material footprints, in order to better capture the environmental impacts associated with production and consumption patterns (European Commission, 2020, p.19).

The selection and design of appropriate indicators remain a major challenge in circular economy research. For instance, the OECD identified 474 circular-economy-related indicators across 29 studies conducted between 2018 and 2020, covering national, regional, and local levels of analysis (OECD, 2020). Given the large number of potential indicators, it is necessary to apply commonly agreed criteria to identify those most capable of capturing key trends in the transition toward circularity (United Nations Economic Commission for Europe, 2024, para. 53).

Despite extensive academic discussion, a unified and comprehensive methodology for measuring circular economy performance has yet to emerge (Remeikienė, Gasparėnienė and Bankauskienė, 2025). In the absence of such a system, this study relies on the indicators developed within the European Commission's Circular Economy Monitoring Framework, which remain the most widely recognised and policy-relevant tool for assessing circular economy progress in the EU (Mazur-Wierzbicka, 2021).

The Monitoring Framework groups indicators into five thematic categories: production and consumption, waste management, secondary raw materials, competitiveness and innovation, and global sustainability. Among these, indicators such as material footprint, recycling rates, and circular material use rate are particularly important for evaluating Member States' performance (Eurostat, n.d.-a).

The framework includes indicators measuring resource productivity, waste generation and recycling, circular material use rates, intra-EU trade in secondary materials, private investment in circular activities, employment in circular sectors, and patents related to recycling and waste management. Together, these indicators provide insight into how effectively economies decouple growth from resource use, develop secondary raw material markets, and support circular innovation. The set remains brief and straightforward, relying largely on existing data, while also identifying areas where new indicators are being developed, such as green public procurement (Eurostat, n.d.-b).

At the same time, the aggregated nature of EU-level indicators may conceal important national disparities. High EU averages can mask significant differences between Member States, highlighting the importance of disaggregated analysis in identifying structural implementation challenges and designing targeted policy responses.

Assessing circular economy progress therefore requires a multidimensional set of indicators. Production and consumption indicators should capture reductions in virgin material use alongside economic growth. Waste indicators should reflect both reductions in waste generation and improvements in waste management in line with the waste hierarchy, which prioritises prevention, reuse, and recycling over disposal. Indicators relating to secondary raw materials should demonstrate increased use and trade of recycled materials, while indicators of competitiveness and innovation should track private investment, patent activity, and employment in circular economy sectors (Remeikienė, Gasparėnienė and Bankauskienė, 2025).

Recent empirical research also suggests that not all circular economy indicators receive equal analytical attention. Experts often consider material

footprint, patents in recycling technologies, and dependence on imported materials to be the most significant indicators for evaluating circular economy performance, whereas indicators such as intra-EU trade or private investment are sometimes considered less central (Remeikienė, Gasparėnienė and Bankauskienė, 2025).

Finally, EU circular economy objectives are closely aligned with Sustainable Development Goal 12, which promotes responsible consumption and production patterns. Achieving this goal requires coordinated action by governments, businesses, and consumers to improve resource efficiency, stimulate technological innovation, and reduce waste generation (United Nations, n.d.). Although the EU has made measurable progress in several sustainability indicators — including energy productivity and the growth of the environmental goods and services sector — the circular material use rate remains insufficient to meet the EU's long-term objectives (Eurostat, n.d.).

Against this benchmark framework, the following sections examine how selected Member States perform across key circular economy indicators and identify structural implementation gaps that hinder alignment with EU policy objectives.

In order to assess the constraints undermining the effective implementation of circular economy strategies, this chapter examines legislative, policy, and institutional deficiencies at the national level and seeks to identify the principal obstacles to their realization.

1.3.2 Shortfalls in CE policy implementation

Despite the existence of EU-level requirements and strategic frameworks, several Member States continue to encounter difficulties in fully and timely transposing circular economy directives into national law. Delays in adopting updated waste management targets, incomplete provisions regarding extended producer responsibility schemes, and the absence of effective incentives for repair and reuse remain recurring issues across national legislative frameworks. In some cases, circular economy provisions are dispersed across multiple legislative acts, creating fragmentation that reduces regulatory clarity for both consumers and producers. Recent systematic reviews of circular economy policy research confirm that challenges related to policy coherence, unclear stakeholder responsibilities, and governmental inefficiency are recurrent implementation barriers across European contexts (Zhang et al., 2025).

Indicator	Period	Annual growth rate	Assessment
Consumption patterns			
Material footprint	2008–2023	– 1.7 %	↑
	2018–2023	– 0.6 %	↗
Consumption footprint	2010–2023	0.3 %	↘
	2018–2023	– 0.5 %	↗
Consumption of hazardous chemicals	2008–2023	– 2.4 %	↑
	2018–2023	– 5.4 %	↑
Energy productivity (*)	2008–2023	2.4 %	↑
	2018–2023	3.9 %	↑
Average CO_2 emissions per km from new passenger cars (*) ◎	Long-term assessment not possible due to break in time series in 2017		×
	2018–2023	Observed: – 5.9 % Required: – 8.6 %	↗
Green economy			
Gross value added in the environmental goods and services sector	2007–2022	5.3 %	↑
	2017–2022	8.1 %	↑
Waste generation and management			
Circular material use rate ◎	2008–2023	Observed: 1.7 % Required: 4.2 %	↘
	2018–2023	Observed: 0.3 % Required: 5.6 %	↘
Generation of waste	2008–2022	0.2 %	↘
	2018–2022	– 1.2 %	↑

Note: See Annex II for a description of the methodology used for the compound annual growth rate calculation and the trend assessment. For indicators without a target, the growth rates observed over the specified periods are given. For indicators with a quantified EU target (marked with a target sign ◎), both the observed growth rates and the growth rates that would have been required in the specified periods for meeting the target are given. See Table A.1 in Annex I for the full list of EU policy targets considered for monitoring in this report.
(*) Multi-purpose indicator.

Figure 1.1 Indicators measuring progress in SDG 12 2025 (Eurostat, 2025).

These recurring delays and inconsistencies suggest the presence of deeper structural constraints within national governance systems. In particular, limited enforcement capacity, fragmented administrative mandates across sectoral ministries, and insufficient incentives for private-sector engagement continue to undermine the practical realization of circular economy objectives. While EU policy frameworks establish ambitious targets and regulatory instruments, their effectiveness ultimately depends on the ability of Member States to translate these commitments into operational policies supported by adequate institutional and financial resources.

Empirical literature further indicates that policy implementation challenges have received considerably less scholarly attention than issues related to policy formulation. As a result, the mechanisms through which enforcement gaps, fiscal misalignment, and coordination failures influence real-world outcomes remain insufficiently understood (Zhang et al., 2025). This imbalance in the literature highlights the importance of examining not only the existence of legislative frameworks but also their practical application and institutional feasibility.

Given the broad scope of circular economy governance, a comprehensive examination of best practices across all Member States would exceed the limits of the present study. Instead, the analysis focuses on Member States demonstrating comparatively weaker performance in circular economy-related indicators in order to identify existing implementation gaps and structural barriers. Concentrating on lower-performing countries enables clearer identification of governance deficiencies that may be less visible in higher-performing contexts, where stronger institutional capacity and financial resources often mitigate implementation challenges. Moreover, such a comparative perspective illustrates how similar structural constraints—such as limited financing, insufficient technical expertise, and institutional fragmentation—manifest differently depending on national economic and administrative conditions.

According to empirical assessments of circular economy performance across the European Union, Romania, Greece, Cyprus, Slovakia, and Bulgaria rank among the lowest-performing countries in several key circular economy indicators (Škrinjarić, 2020). These countries therefore provide a useful analytical starting point for examining the practical challenges associated with circular economy policy implementation.

In addition to institutional and economic barriers, recent research suggests that existing evaluations of circular economy policies remain predominantly focused on environmental and economic indicators, while social dimensions of the transition receive comparatively limited attention. Factors such as skills development, behavioural change, and public awareness—although essential for the successful implementation of circular practices—are only marginally addressed in current policy assessments (Zhang et al., 2025). This imbalance further complicates the evaluation of implementation effectiveness, particularly in lower-performing Member States where social and institutional capacities play a critical role in enabling systemic change.

The following section therefore examines the performance of selected EU Member States based on statistical data collected by Eurostat (Eurostat, n.d.).

Four countries demonstrating the weakest performance across relevant indicators were selected for closer analysis. Certain indicators—such as the End-of-Life Recycling Input Rate (EOL-RIR) and EU self-sufficiency for specific raw materials including aluminium—were excluded from the comparison because they are reported at the EU or material-specific level rather than for individual Member States. While statistical indicators provide an important quantitative benchmark for assessing progress, they do not capture governance fragmentation, institutional capacity, or enforcement quality. Consequently, the present analysis combines statistical evidence with qualitative policy assessment in order to provide a more comprehensive understanding of existing implementation gaps.

To examine implementation gaps in practice, the analysis below is structured around several key indicators derived from the EU Circular Economy Monitoring Framework. These indicators—covering material consumption, waste generation and management, recycling performance, and circular material use—provide measurable benchmarks for assessing how effectively Member States translate EU circular economy objectives into practice. By examining these indicators in selected lower-performing countries, the analysis highlights structural weaknesses that hinder progress toward circularity.

1.3.2.1 Material consumption

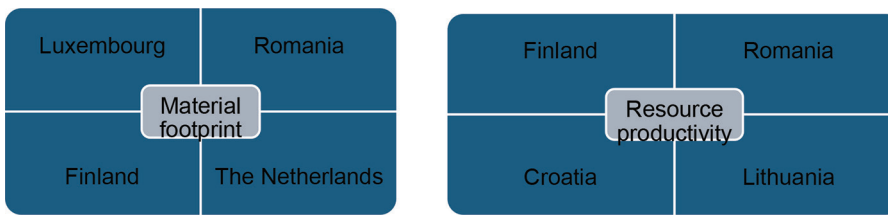

Figure 1.2 Material footprint and resource productivity in different countries.

Material footprint and resource productivity are key indicators for assessing whether economic growth is becoming less dependent on primary resource extraction. Excessive domestic material consumption (DMC) has also been associated with broader sustainability challenges. Empirical studies suggest that high levels of material consumption do not necessarily translate into improved social development outcomes. In particular, research indicates that the impact of excessive DMC differs across levels of economic development and may hinder human development in less developed countries, where environmental degradation and resource overexploitation place additional pressure on social and institutional systems (Zéman et al., 2025, pp.

11–12). These findings underline the importance of reducing material intensity and strengthening circular resource use rather than relying on continued growth in raw material consumption. High material consumption combined with low resource productivity therefore suggests that economies continue to rely heavily on linear production models, thereby limiting progress toward circularity.

Based on Eurostat data, several Member States – including Finland and Romania- demonstrate comparatively weak performance in both indicators. Although the underlying reasons differ across countries, the evidence suggests that policy ambition alone does not automatically translate into improved material efficiency.

Finland provides an illustrative example of this implementation gap. The country has actively promoted circular economy initiatives and has undertaken significant analytical work to support the transition. For example, the report "Material Flows of Finland's National Economy: Impacts, Actual Development and Circular Economy Scenarios for 2035", finalised in February 2024, represents the first comprehensive attempt to model future circular economy pathways and assess their environmental and economic impacts (European Topic Centre on Circular Economy, 2024a). Moreover, Finland has introduced voluntary initiatives under the Green Deal framework, through which organisations commit to reducing natural resource consumption and implementing circular business practices (European Topic Centre on Circular Economy, 2024a).

Despite these initiatives, Finland's raw material consumption per capita remains more than three times higher than the EU average, while the added value generated from natural resource use remains among the lowest in the EU (European Topic Centre on Circular Economy, 2024a, p.11). National policy targets aim to ensure that total primary raw material consumption in 2035 will not exceed the level recorded in 2015 (European Topic Centre on Circular Economy, 2024a, pp.11–12). However, evidence suggests that significant barriers remain at the firm level. A skills gap appears to be one of the most important obstacles to implementation: although many companies report intentions to integrate circular practices, a large share lack the technical knowledge required to operationalise these plans. According to recent surveys, 69% of companies have not conducted emissions calculations, material reviews, or life-cycle assessments. Additionally, 51% of companies do not organise training for personnel on circular economy practices, while only a minority provide individual or continuous training (European Topic Centre on Circular Economy, 2024a).

Finland's case therefore demonstrates an important challenge in circular economy policy: the existence of advanced strategic frameworks does not

necessarily guarantee effective implementation when business-level capabilities workforce skills remain insufficient. This disconnect between policy ambition and operational uptake reflects what may be described as an implementation paradox in EU circular economy governance.

Similar governance challenges[2] can be observed in Romania. Although the country has adopted several policy initiatives aimed at promoting circularity, coordination between central and local institutions remains weak, which limits effective implementation (European Topic Centre on Circular Economy, 2024b, p. 23). In practice, insufficient vertical coordination between national and subnational authorities undermines the translation of policy commitments into operational outcomes. Romania's experience therefore highlights the importance of governance coherence and administrative coordination in achieving circular economy objectives.

Other Member States face additional structural barriers that affect their material consumption performance. In Luxembourg, for example, implementation challenges are linked primarily to limited data availability and institutional fragmentation. The public administration remains organised along linear sectoral structures, with segmented competencies and budgetary responsibilities, which complicates the coordination of circular economy initiatives (European Topic Centre on Circular Economy, 2024c, p. 17). The Luxembourg case demonstrates how data scarcity can undermine evidence-based policymaking: without reliable metrics and monitoring systems, authorities face difficulties in designing targeted incentives or assessing the effectiveness of policy measures.

In the Netherlands, although the transition to a circular economy has formally started, the pace of change remains insufficient to meet intermediate targets for 2030. Current policy discussions emphasise multiple interconnected challenges — including climate change, loss of biodiversity, environmental pollution, and economic vulnerability —which require stronger political prioritisation and cross-government coordination. Existing policy measures have not yet generated a significant acceleration in the circular transition (European Topic Centre on Circular Economy, 2024d, p. 13).

In Lithuania, one of the principal barriers affecting material circularity relates to insufficient recycling infrastructure and the limited size of the domestic market. A relatively small internal market constrains the development and scaling of sustainable products and circular business models,

[2] In addition to better informing all stakeholders, the document also highlights gaps in the existing legislation. Nevertheless, it deals with the secondary raw materials, and for this reason it is not indicated as a shortcoming under "material consumption" indicator.

thereby limiting private-sector investment in circular production systems (European Topic Centre on Circular Economy, 2024e, p. 15).

Finally, in Croatia, challenges are associated with the need to ensure fair competitive conditions for circular materials and products while simultaneously supporting technological innovation and environmental sustainability. Access to financial resources remains essential for developing new circular technologies and strengthening industrial transformation (European Topic Centre on Circular Economy, 2024f, p. 12).

Taken together, these cases demonstrate that weak performance in material footprint and resource productivity is rarely attributable to a single factor. Instead, it reflects a combination of governance challenges, including insufficient policy coordination, limited institutional capacity, inadequate market incentives, and gaps in skills and technological capabilities. Addressing these structural barriers therefore requires not only regulatory reforms but also broader efforts to strengthen administrative coordination, improve data availability, and support capacity-building across both public institutions and the private sector.

1.3.2.2 Waste generation

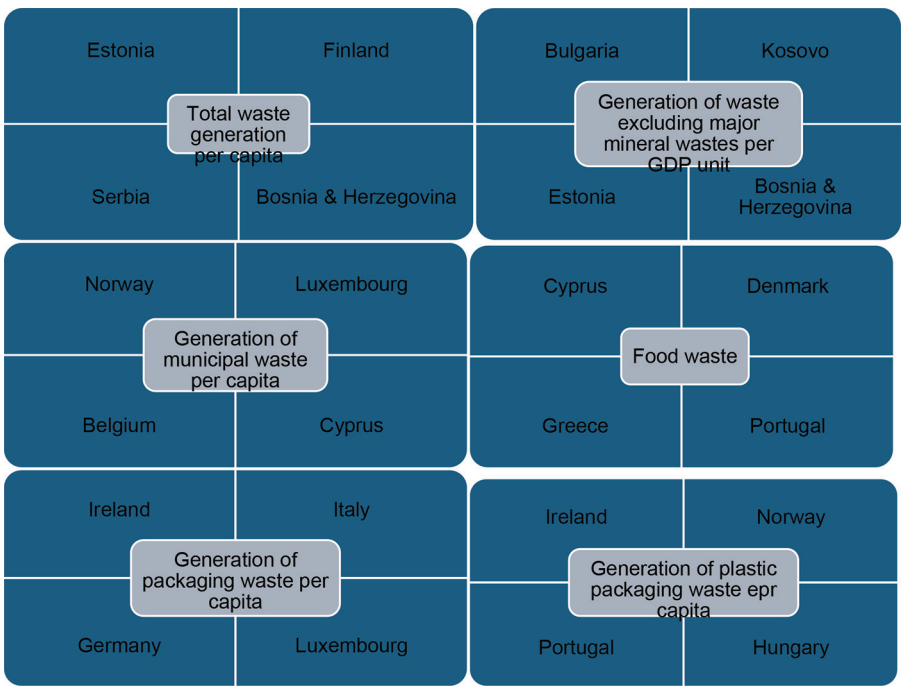

Figure 1.3 Waste generation in different countries.

Waste generation indicators—such as total waste generation per capita, waste generation excluding major mineral waste per GDP unit, municipal waste per capita, food waste, and packaging waste—provide important insights into the efficiency of material use and the extent to which economies remain dependent on linear consumption patterns. High levels of waste generation often reflect structural features of national economies, including energy systems, consumption patterns, and regulatory frameworks.

Waste prevention constitutes the highest priority within the EU waste hierarchy, which forms the basis of the Union's waste management strategy. However, existing policy frameworks and legislative instruments remain insufficiently developed to effectively promote waste avoidance. Addressing the waste problem therefore requires not only improvements in waste management but also a reconsideration of prevailing production and consumption patterns. Measures such as expanding sharing economy models and reducing unnecessary packaging could represent important initial steps toward lowering overall waste generation (Weghmann, 2023).

In addition to consumption patterns, waste generation is strongly influenced by the structure of economic activity across sectors. Sectoral analysis of waste generation in the European Union shows that certain economic activities are responsible for disproportionately high levels of waste production. The largest volumes of waste generated per capita are associated with the mining and quarrying sector, followed by construction activities. Similar patterns can be observed across different years, suggesting that waste generation in these sectors is largely structural. Other sectors that contribute significantly to waste volumes include manufacturing, as well as water supply, sewerage, waste management and remediation activities. Households also represent a considerable source of waste generation. Moreover, comparative data indicate that in many EU Member States the amount of waste generated per capita increased between 2010 and 2018, highlighting the persistent challenge of decoupling economic activity and consumption patterns from waste production (Angheluță et al., 2021). These sectoral patterns demonstrate that waste reduction strategies must address not only consumer behaviour but also production structures in resource-intensive industries.

In Estonia, high waste volumes largely stem from oil shale–based energy production, while the absence of a dedicated circular economy monitoring framework limits visibility and integration of circular practices into national policy. (European Topic Centre on Circular Economy, 2024g, pp. 13–15). Ireland's waste generation is strongly linked to over-consumption patterns and high levels of food waste. Although national plans address plastics, food waste, and biodiversity, progress is hindered by low public awareness

and limited cross-sectoral coordination, reflecting the broader challenge of developing policy responses for complex, multi-sectoral issues (European Topic Centre on Circular Economy, 2024h, pp. 13, 24). Institutional challenge to develop policy for a complex cross-sectoral issue remains and is indicated as a high barrier (European Topic Centre on Circular Economy, 2024h, p. 24).

In Finland, the concept of circularity is widely recognised at the policy level; however, practical implementation remains uneven. Many companies are slow to adopt concrete circular practices due to persistent skills gaps and the lack of practical guidance. Survey data indicate that 51% of companies do not organise training for personnel on circular economy practices (European Topic Centre on Circular Economy, 2024a). Bulgaria similarly faces governance challenges, including institutional fragmentation and weak long-term coordination, although the 2022–2027 Circular Economy Strategy foresees the establishment of a Circular Economy Council to improve policy coherence (European Topic Centre on Circular Economy, 2024i, p. 20).

Structural economic constraints also influence waste generation and circular transition. In Cyprus, the shift toward circular models is hindered by limited market size, strong dependence on imports, insufficient incentives for businesses, and weak circular product design (European Topic Centre on Circular Economy, 2024j, p. 16). These conditions illustrate how structural economic factors may restrict circular transition despite the existence of policy commitments, highlighting the importance of EU-level support mechanisms that account for differences in market scale and economic capacity. Greece faces similar implementation barriers, where administrative obstacles and consumer behaviour continue to impede progress (European Topic Centre on Circular Economy, 2024k, p. 16).

Regulatory barriers may also constrain circular practices. In Belgium, existing legislation prevents materials classified as waste from being utilised as secondary raw materials, despite technical and economic evidence demonstrating their potential value as inputs for other sectors. Current waste regulations therefore limit opportunities for cross-sectoral reuse and resource recovery (European Topic Centre on Circular Economy, 2024l, p. 28).

Taken together, these cases illustrate that high waste generation levels are not merely a consequence of consumption patterns but often reflect deeper governance and structural challenges, including regulatory rigidity, limited institutional coordination, insufficient business capacity, and structural economic constraints. Addressing these barriers is therefore essential for reducing waste generation and enabling an effective circular economy transition across EU Member States.

1.3.2.3 Overall recycling rates

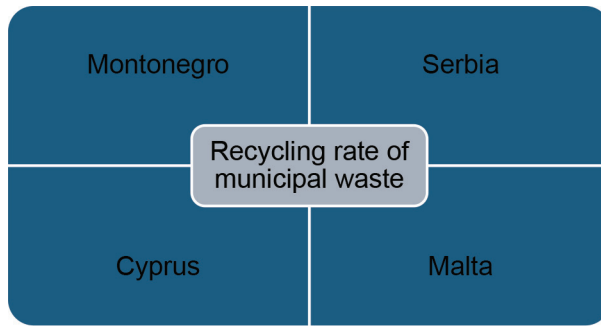

Figure 1.4 Recycling rate of municipal waste in different countries.

The recycling rate of municipal waste is a key indicator used to assess progress toward the circular economy, as it reflects the extent to which materials are reintroduced into production cycles rather than disposed of through landfilling or incineration. Despite the adoption of EU circular economy policies, recycling performance remains uneven across countries and is often constrained by structural governance, infrastructure, and market-related challenges.

In Montenegro, weak connectivity across regions, uneven digitalisation, and limited availability and quality of data restrict the capacity to generate comprehensive socio-economic insights and to effectively monitor circular economy progress. Although the country actively uses EU and other international funding programmes to support environmental protection, infrastructure, and agricultural development, persistent delays in strategy formulation and implementation continue to hamper policy effectiveness. At the same time, legislative alignment with EU standards is gradually progressing (European Environment Agency, 2025). While recycling rates have improved, several waste streams—including metals, plastics, textiles, food waste, electrical and electronic equipment, and batteries—continue to pose significant environmental and public health risks (Kaza et al., 2018). Policy recommendations therefore emphasise strengthening legal and financial frameworks, introducing technological standards, improving primary waste collection and recycling infrastructure, and developing monitoring mechanisms for waste reduction in line with circular economy principles (United Nations Development Programme, 2022).

Serbia faces similar implementation challenges, particularly in the area of circular material use (European Environment Agency, n.d.–Serbia). As to improve the overall recycling rates, it is recommended that Serbia conduct

a good baseline analysis (UNDP, 2021, p.46) on this topic, improve legal framework to achieve a higher recycling percentage in wood furniture industry (UNDP, 2021, p.53), raise capacities of public utility companies so that they can offer basic recycling infrastructure in plastics, and build the infrastructure for organic waste recycling (UNDP, 2021, p.54).

Structural barriers also affect recycling performance in EU Member States. In Cyprus, circular economy policies frequently lack clear operational guidance and effective enforcement mechanisms. At the same time, support for innovative product design and circular business models remains limited, while market conditions do not yet fully support the economic viability of circular initiatives (European Topic Centre on Circular Economy, 2024j, p. 17).

Economic structure also plays an important role in shaping recycling capacity. In Malta, the economy is dominated by small and micro-enterprises, which constitute the vast majority of businesses (European Topic Centre on Circular Economy, 2024m, p. 17). These enterprises often face constraints in financial resources, research and development investment, and production capacity, which limits their ability to adopt circular practices. Moreover, the strong focus on distribution rather than manufacturing reduces opportunities for material recovery and circular production systems. Although small firms demonstrate considerable flexibility, further efforts are needed to identify circular business opportunities and strengthen sustainability expertise among business owners and managers (European Topic Centre on Circular Economy, 2024m, p. 17).

Taken together, these cases illustrate that low recycling rates are rarely the result of a single factor. Instead, they reflect a combination of governance weaknesses, limited infrastructure, data gaps, and structural economic constraints. The persistence of these challenges indicates that progress toward a circular economy depends not only on legislative alignment but also on strengthening institutional capacity, improving monitoring systems, and expanding recycling infrastructure.

1.3.2.4 Recycling rates for specific waste streams

Recycling rates for specific waste streams provide a more detailed perspective on circular economy performance by capturing differences in how particular materials are collected, processed, and reintroduced into production cycles. Variations in recycling outcomes often reflect the interaction between consumer behaviour, waste management infrastructure, regulatory frameworks, and innovation capacity. Countries with higher public awareness and well-coordinated extended producer responsibility schemes tend to achieve

stronger recycling results, highlighting the importance of social and institutional capital in enabling circular transitions.

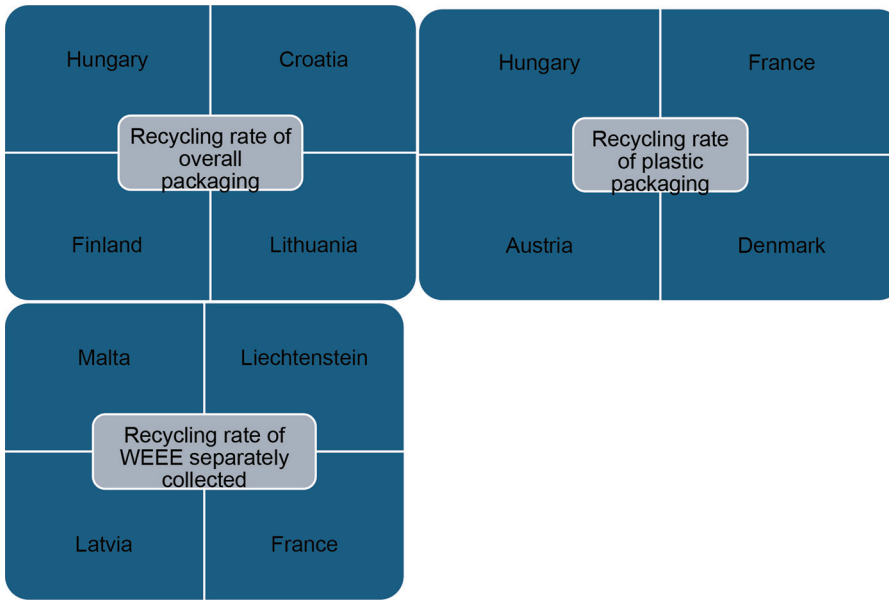

Figure 1.5 Recycling rates for specific waste streams.

Recent empirical analyses of packaging waste recycling in Central and Eastern Europe show persistent divergence from the EU-27 benchmark, particularly in countries such as Hungary and Romania (Giurea et al., 2026).

Hungary continues to face challenges in using material resources efficiently to generate economic value. The proportion of material resources obtained from recycled waste remains relatively low at 6.8%, significantly below the EU average of 11.9% recorded in 2019. At the same time, domestic material consumption exceeds the EU average, while recycling rates remain comparatively low. This combination points to persistent inefficiencies in resource use and waste management systems (European Topic Centre on Circular Economy, 2024n, p. 19). One of the key factors contributing to this situation is the absence of a comprehensive and integrated circular economy strategy (European Topic Centre on Circular Economy, 2024n, p. 19).

Evidence from packaging waste recycling trends in Central and Eastern Europe also illustrates persistent performance gaps relative to the EU-27 benchmark. Hungary displays sustained divergence from the EU reference trajectory, although their development paths differ (Giurea et al., 2026).

Hungary initially showed slight over-performance but gradually shifted toward persistent under-performance, suggesting declining effectiveness in the recycling system. Institutional analyses attribute these trends to policy instability, changing financing arrangements, and shifts in the allocation of responsibilities within the waste management sector. Similar governance challenges have been observed across several Central and Eastern European countries and are considered to have negatively affected recycling performance (Giurea et al., 2026).

In France, the transition toward a circular economy involves substantial financial and organisational costs. Establishing short circular loops often requires companies to cooperate with other actors along the value chain or to develop collective approaches, which may diverge from conventional business practices. Furthermore, the globalization of supply chains complicates the implementation of circular strategies, as firms often rely on geographically dispersed production networks that limit the feasibility of localized material loops (European Topic Centre on Circular Economy, 2024o, p. 21).

Consumer behaviour and public awareness also play a significant role in shaping recycling performance. In Lithuania, factors negatively affecting recycling rates include limited ecological awareness among consumers, high levels of consumption, insufficient waste-sorting practices, high repair costs, and limited recycling infrastructure (European Topic Centre on Circular Economy, 2024e, p. 15).

Technological and supply-chain barriers can further constrain recycling capacity. In Austria, major challenges arise in the areas of product design and material composition, as well as technological limitations in recycling processes and reverse logistics systems within supply chains (European Topic Centre on Circular Economy, 2024p, p. 19).

Similarly, social factors continue to influence circular economy development in Latvia, where public attitudes toward consumption and the lack of awareness-raising initiatives have been identified as significant barriers to improving recycling practices (European Topic Centre on Circular Economy, 2024q, p. 14).

Taken together, these cases illustrate that differences in recycling performance are shaped by a combination of governance structures, economic incentives, technological capabilities, and social behaviour. Improving recycling rates therefore requires not only stronger regulatory frameworks but also investment in infrastructure, innovation in product design, and sustained efforts to raise public awareness and encourage responsible consumption patterns.

1.3.2.5 Contribution of recycled materials to raw materials demand

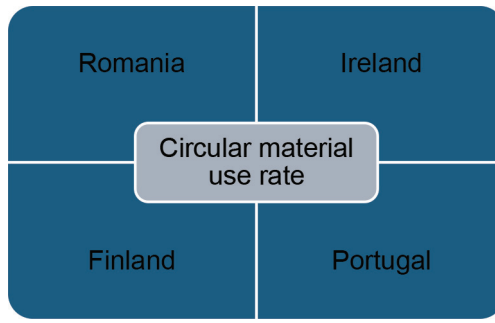

Figure 1.6 Circulare material use rate in different countries.

The circular material use rate measures the share of materials that are recycled and reintroduced into the economy, thereby reducing the need for the extraction of primary raw materials (Eurostat, n.d.-a; Skare et al., 2023). As such, the indicator provides an important measure of how effectively economies are able to close material loops and transition from linear production models toward circular resource use. Across countries, however, progress in increasing the contribution of recycled materials to overall material demand remains uneven and is often constrained by institutional, legal, and market-related barriers. In particular, the absence of clear definitions for secondary materials and insufficient market incentives frequently limit the effective reintegration of recycled resources into production systems. These patterns suggest that legal clarity and market design—rather than environmental ambition alone—play a decisive role in shaping circular outcomes.

Romania illustrates how regulatory ambiguity can hinder circular material flows. One of the key shortcomings lies in the lack of clear definitions and conditions for secondary raw materials, such as compost, to be reintroduced into the market (European Topic Centre on Circular Economy, 2024b, p. 23). In addition, the institutional framework governing circular economy policies shows insufficient coordination between central and local authorities, indicating significant potential for improving cooperation and policy implementation (European Topic Centre on Circular Economy, 2024b, p. 23).

Institutional and behavioural barriers also affect circular material use in other countries. In Ireland, difficulties in developing coherent policies for such a complex cross-sectoral issue, limited capacity among companies to identify circular opportunities, and insufficient consumer awareness have been identified as key obstacles to advancing circular economy practices.

Finland, by contrast, has taken steps to address these challenges through policy reform and investment in circular systems. Measures included in the

national Recovery and Resilience Facility Plan focus on reforming the Waste Act and promoting the reuse and recycling of key materials and industrial side streams (European Topic Centre on Circular Economy, 2024a, p. 13). These initiatives aim to strengthen the regulatory and institutional framework necessary to increase the circulation of secondary materials within the economy.

Portugal's experience illustrates both progress and persistent structural challenges. The country's circular material use rate increased from 1.8% in 2010 to 2.5% in 2013, largely as a result of declining domestic material consumption. After a period of stagnation until 2017—when the first Circular Economy Action Plan was adopted—the rate gradually improved, increasing by approximately 0.1% annually and reaching 2.6% in 2022 despite external shocks such as the COVID-19 pandemic and the war in Ukraine (European Topic Centre on Circular Economy, 2024r, p. 23). Nevertheless, the expansion of circular material use remains constrained by weak market competitiveness for circular products. Recycled materials and repaired products often remain more expensive than virgin materials or newly manufactured goods, leading consumers to choose cheaper but less sustainable alternatives (European Topic Centre on Circular Economy, 2024r, p. 35).

Taken together, these cases highlight that increasing the contribution of recycled materials to raw material demand requires not only stronger regulatory frameworks but also well-functioning markets for secondary materials. Without clear legal definitions, coordinated institutional frameworks, and economic incentives that make recycled resources competitive with virgin materials, progress toward circular material use will remain limited.

1.3.2.6 Trade in recyclable raw materials

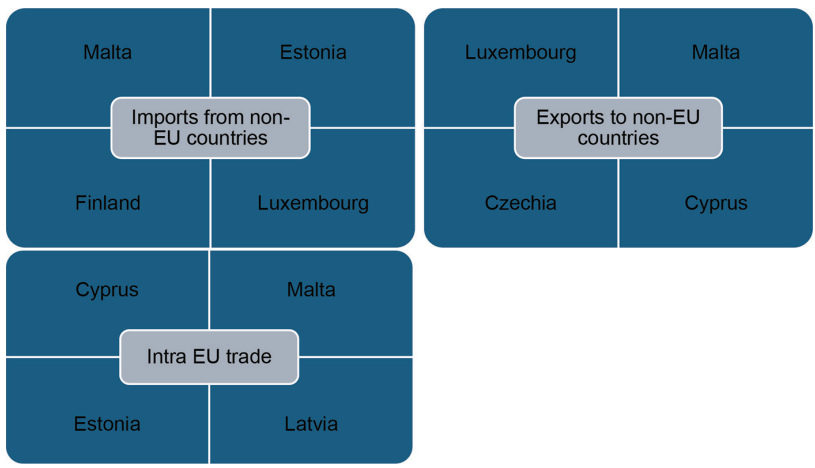

Figure 1.7 Trade in recyclable raw materials in different countries.

Trade in recyclable raw materials reflects an important dimension of the circular economy that extends beyond domestic waste management systems. This indicator serves as a key measure for assessing progress toward the circular economy (Mancini et al., 2019). The transition toward more efficient resource use and the development of a circular economy are closely connected with international trade. These interactions play an important role in enabling global value chains to improve the efficiency of resource use. In this context, key determinants shaping trade in recycled raw materials have been analysed, and this indicator has been treated as a central measure of circular economy development (Lingaitiene and Burinskiene, 2024).

In lower-income countries, waste often represents an important secondary resource. Waste collection constitutes a significant economic activity, while the recovery of materials from waste forms a key component of the circular economy (Lingaitiene and Burinskiene, 2024). Trade patterns demonstrate that the circular transition is not only an environmental objective but also a function of economic geography and market structures. In particular, small or highly open economies often depend on regional cooperation to close material loops, highlighting the strategic importance of integrated intra-EU circular value chains.

Luxembourg provides a clear illustration of this dynamic. According to Eurostat, the country ranks fourth in the European Union in terms of municipal waste recycling rates (Eurostat, 2025). However, a significant share of the collected waste is exported for recycling abroad, meaning that Luxembourg simultaneously imports and exports recyclable materials. This pattern largely reflects the country's small size and highly open economic structure, which limits the feasibility of developing large-scale domestic recycling facilities.

Similar structural constraints are evident in Malta, where spatial limitations and the small size of the national territory restrict the development of extensive recycling infrastructure and circular production systems (European Topic Centre on Circular Economy, 2024m, p. 17).

In Estonia, low levels of trade in recyclable raw materials appear to be linked to weak domestic demand for secondary materials. This situation is further aggravated by the absence of regulatory measures that would actively promote the use of recycled materials in production processes (European Topic Centre on Circular Economy, 2024s, p. 15).

Market competitiveness also plays an important role in shaping trade flows. In Czechia, the relatively low price of primary raw materials compared with secondary materials has traditionally reduced the competitiveness of recyclable raw materials on international markets, particularly outside the European Union (European Topic Centre on Circular Economy, 2024t, p. 21).

As a result, exports to non-EU countries have remained limited. Although recent economic disruptions have narrowed this price gap, insufficient investment in research, innovation, and advanced recycling technologies continues to constrain the production of high-quality secondary materials that could compete in international markets.

Taken together, these examples demonstrate that trade in recyclable raw materials is shaped not only by environmental policy but also by economic scale, market incentives, and technological capacity. Strengthening intra-EU circular value chains, improving regulatory support for secondary materials, and investing in advanced recycling technologies are therefore essential for expanding the role of recycled materials in international trade.

1.3.2.7 Private investment, jobs and gross value added related to circular economy sectors

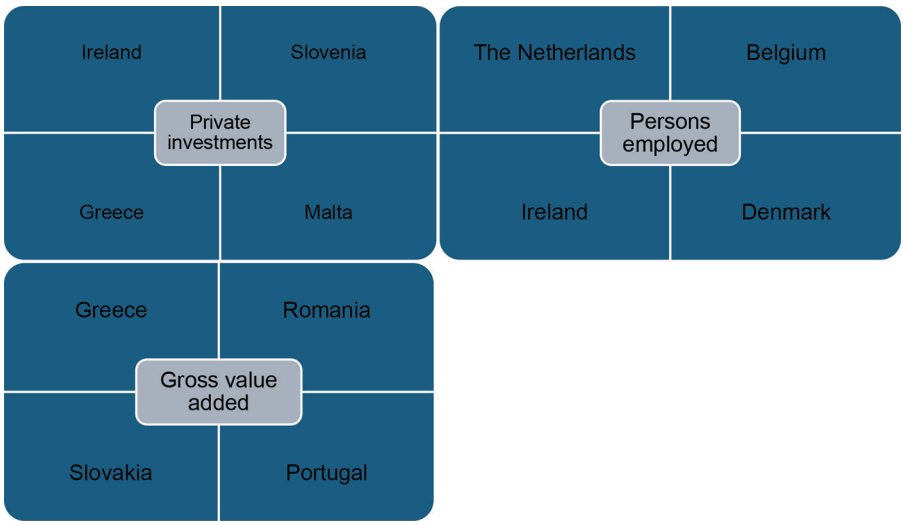

Figure 1.8 Economic dimensions of the circular economy in different countries.

The analysis of private investment in circular economy sectors provides important insight into the extent of business sector participation in the transition to more sustainable economic systems. In this regard, private investment increased in the majority of European countries between 2015 and 2021, indicating growing private sector engagement in sustainable economic models. This growth is closely associated with policy developments at both national and EU levels, particularly the European Green Deal and the Circular Economy Action Plan. Across the European Union, private

investment reached EUR 121,578 million in 2021, marking a 44.83% increase from EUR 83,946 million recorded in 2015 (Giucă et al., 2025).

This indicator captures the economic dimension of the circular economy by measuring private investment, employment, and gross value added generated by circular economy sectors. It provides insight into the extent to which circular activities contribute to economic growth and labour market development.

In Greece, REPowerEU investments—including those promoting energy efficiency, renewable energy sources, and pilot projects for biomethane and renewable hydrogen production—are closely aligned with circular economy objectives (European Topic Centre on Circular Economy, 2024k, p. 16). However, the production of recycled carbon fuels is not supported within this investment framework (European Topic Centre on Circular Economy, 2024k, p. 16). Additional initiatives, such as renovation and recharge and refuelling investments, are directly linked to circular economy priorities under the National Recovery Plan (European Topic Centre on Circular Economy, 2024k, p. 17).

Nevertheless, administrative barriers and consumer behaviour remain among the most significant obstacles to circular transition. Economic and legislative constraints further limit companies' ability to adopt circular business models (European Topic Centre on Circular Economy, 2024k, p. 16). These challenges not only hinder the effective implementation of circular initiatives but also discourage private investment by increasing regulatory uncertainty and weakening market incentives. As a result, the potential of the circular economy to generate gross value added and sustainable economic growth remains underutilised.

The gap between necessary investments and available resources has also been identified in Slovenia (European Topic Centre on Circular Economy, 2024u, p. 19). At the same time, engagement with the wider business ecosystem can foster experimentation and innovation, which are essential for addressing climate change effectively (European Topic Centre on Circular Economy, 2024u, p. 19).

In Malta, micro-businesses face resource limitations that hinder their engagement with circular economy initiatives (European Topic Centre on Circular Economy, 2024m, p. 17).

Within Slovakia's business sector, the limited availability of hazardous waste recovery facilities creates operational challenges for industry and may discourage foreign investment, particularly where companies face difficulties in meeting corporate environmental standards (European Topic Centre on Circular Economy, 2024v, p. 13).

In Portugal, several obstacles hinder the transition to a circular economy. These include limited support mechanisms for corporate financing, public policies that remain incomplete or insufficiently aligned with circular economy principles, inadequate capital investment in circular solutions, and a relatively weak entrepreneurial culture oriented toward circular practices (European Topic Centre on Circular Economy, 2024r, p. 34). Collectively, these barriers constrain both the development of circular business models and the broader adoption of sustainable practices.

The persistent financing gap and the weak alignment between national recovery plans and Circular Economy Action Plan (CEAP) priorities suggest that circular investment remains peripheral to mainstream industrial policy. Without stronger fiscal incentives and effective de-risking instruments, private capital is likely to remain underallocated to circular projects.

1.3.2.8 Innovation

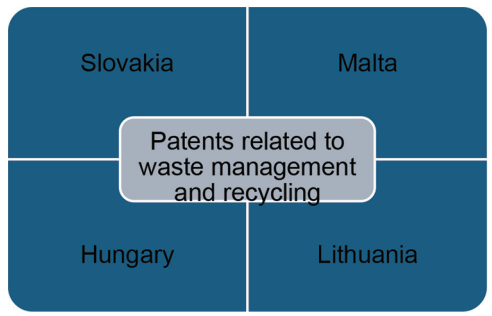

Figure 1.9 Patents related to waste management and recycling.

Research indicates that patent activity in the field of waste management has increased significantly over time. This trend reflects a growing recognition of waste as a valuable resource for producing new products, a potential source of energy, and an opportunity for generating economic benefits (Khaertdinova et al., 2021).

This indicator captures innovation performance in circular economy sectors by measuring the number of patents related to waste management and recycling, thereby reflecting the level of technological development and knowledge creation.

[3] However, there are still more countries with a zero result. To maintain a unified approach throughout the document, the last four countries from the list were selected.

At both national and institutional levels, Slovakia appears to lack a concrete implementation framework capable of translating circular economy strategies into operational measures. Insufficient interdepartmental coordination and limited engagement with the industrial sector further hinder progress, as platforms for dialogue and collaboration remain underdeveloped. In addition, awareness-raising initiatives and information campaigns promoting circular economy practices and disseminating best practices are still limited (European Topic Centre on Circular Economy, 2024v, p. 13).

Taken together, these shortcomings create an environment that is not conducive to innovation—particularly the systemic innovation required for a circular transition. The relatively low number of patents in waste management and recycling reflects weak innovation dynamics, suggesting that progress toward a circular economy is constrained by insufficient investment in research, development, and technological advancement.

More broadly, such innovation deficits reflect the lack of effective coordination between research institutions, industry, and government. This underscores that technological progress alone is insufficient to drive circularity without supportive governance frameworks and targeted funding mechanisms.

In light of these challenges in Slovakia, and similar structural barriers observed in other countries, there is a clear need to intensify efforts toward advancing the transition to a circular economy. While some countries require the development of separate waste collection systems, others must strengthen environmental policies and enhance innovation capacity to facilitate the implementation of technological solutions. In this context, patents serve as important systemic instruments for addressing these challenges. Environmental priorities linked to sustainable development place increasing demands on the scientific community to develop and refine ecological technologies. Patents, in turn, function as economic assets that enable the transformation of knowledge into practical technological applications (Khaertdinova et al., 2021).

1.3.2.9 Global sustainability from circular economy

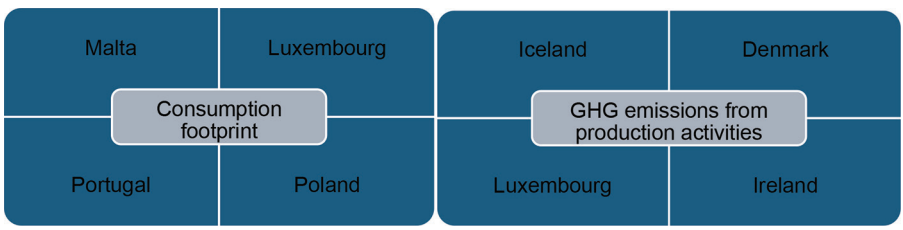

Figure 1.10 Environmental impact of economic activity in different countries.

These indicators capture the broader environmental impact of economic activity by measuring the resource intensity of consumption and the emissions generated in production processes. They provide insight into the extent to which circular economy practices contribute to reducing environmental pressures at both national and global levels.

Although Malta records relatively low domestic material consumption per capita in certain metrics (e.g., 10.1 tonnes per person, representing 71.2% of the EU average), its capacity to reduce its overall consumption footprint through circular economy measures remains constrained (European Topic Centre on Circular Economy, 2024m, p. 4). Structural factors—including small market size, limited economies of scale, strong dependence on imports, and infrastructure and logistical constraints—significantly limit the country's ability to implement circular solutions. In addition, the prevalence of micro-enterprises with limited capacity to adopt circular business models further restricts progress (European Topic Centre on Circular Economy, 2024m, p. 17).

At the same time, trends in larger economies reveal different challenges. According to the European Environment Agency (EEA, 2025), both Poland and Portugal experienced increases in their consumption footprints of more than 20% by 2023. In Portugal, this trend is associated with a continued reliance on raw material consumption and limited integration of circular practices. Empirical findings suggest that raw material use accounts for a dominant share of its performance under Sustainable Development Goal 12, while the contribution of circular material use remains comparatively low (Rabbi, 2025). A similar pattern can be observed in Poland, where, despite a more balanced distribution of indicators, the consumption footprint continues to exert significant pressure. These developments point to structural challenges, including consumption-driven growth models and insufficient diffusion of circular practices.

In addition to consumption patterns, greenhouse gas (GHG) emissions from production activities remain a key constraint on achieving global sustainability. Within the European Union, several countries exhibit relatively high emissions intensity in production, indicating weaker performance in the production dimension of the circular economy. According to recent Eurostat data, in 2023 emissions intensity per hour worked was highest in Denmark (16.8 kg CO_2-eq), followed by Ireland (13.5 kg/h) and Luxembourg (10.1 kg/h) (Eurostat, 2025).

This pattern is further reflected in broader emissions indicators. For instance, Ireland's total GHG emissions per capita reached approximately 11.6 tonnes CO_2-equivalent in 2022, significantly above the EU-27 average

of 7.5 tonnes (Central Statistics Office, 2025). Similarly, Denmark's carbon footprint per worker has been estimated at 24.66 tonnes CO_2-equivalent, compared to the EU average of 13.61 tonnes (European Commission, 2022).

Taken together, these findings suggest that progress toward global sustainability within the circular economy framework remains uneven. While some countries face structural constraints related to scale and market size, others are challenged by consumption-driven growth patterns and carbon-intensive production systems. This indicates that achieving meaningful reductions in environmental impact requires not only the adoption of circular practices but also broader transformations in production and consumption systems.

1.3.2.10 Resilience from circular economy

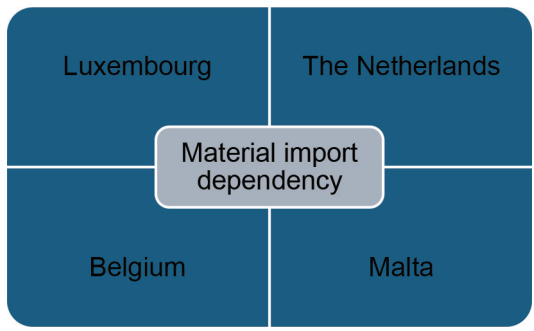

Figure 1.11 Material import dependency in different countries.

Material import dependency—the share of an economy's direct material inputs met through imports—constitutes a key resilience indicator within the circular economy, as it reflects exposure to external supply shocks and the limited capacity to close material loops domestically. Small, highly open economies with limited domestic extraction, as well as those specialised in trade-intensive activities, tend to exhibit higher vulnerability.

For example, Malta demonstrates a very high level of material import dependency, reflecting its near-total reliance on imported non-local raw materials. This significantly increases its exposure to upstream supply disruptions and constrains its ability to develop domestic circular solutions (European Topic Centre on Circular Economy, 2024m, pp. 17–18).

A similar pattern can be observed in the Netherlands, which—despite advanced circular economy policies and relatively efficient material use—remains highly dependent on imported raw and processed materials. This is largely due to its highly open economy and strong orientation toward trade

and re-export activities, which elevate import dependency across multiple material categories (OECD, 2025).

Belgium also exhibits a high level of reliance on imported raw materials, in contrast to several other EU Member States that benefit from domestic production of construction and industrial minerals (Nuss et al., 2017).

Taken together, these patterns suggest that resilience-oriented policy responses in such Member States should prioritise the development of secondary raw material markets, the diversification and strategic management of critical material supplies, and the strengthening of regional circular value chains. These measures can help reduce exposure to global supply chain disruptions while enhancing material self-sufficiency.

More broadly, high levels of import dependency across several Member States highlight Europe's structural vulnerability to global supply shocks. Strengthening regional circular systems and secondary material markets should therefore be understood not only as an environmental objective but also as a key component of strategic autonomy.

1.4 Conclusion

The assessment of circular economy (CE) policy implementation across European Union Member States demonstrates that, despite the existence of a comprehensive legal and strategic framework at the EU level, national performance remains fragmented and uneven. The European Green Deal, the 8th Environment Action Programme, and the Circular Economy Action Plan collectively provide a coherent policy roadmap. However, a persistent gap between EU-level ambition and Member State implementation continues to be evident, largely due to structural, institutional, and governance-related constraints. As highlighted in recent research, fragmented governance arrangements, unclear allocation of responsibilities, and insufficient coordination mechanisms remain key barriers to effective implementation.

A central finding of this study is that implementation challenges are closely linked to institutional fragmentation and weak coordination structures. In many Member States, responsibilities for CE-related policies are dispersed across multiple ministries and agencies, resulting in inconsistent transposition of EU directives and limited accountability. In addition, national monitoring systems often remain underdeveloped compared to the EU's indicator framework, constraining the ability of governments to track progress, identify policy gaps, and adjust interventions in a timely manner.

The analysis further demonstrates that differences in economic structure and capacity significantly shape circular economy outcomes. Smaller

and highly import-dependent economies, such as Cyprus, Malta, and Luxembourg, face structural limitations related to scale, market size, and resource availability, which constrain their ability to develop domestic circular systems. At the same time, resource-intensive economies, including Finland and Romania, encounter difficulties in decoupling material consumption from economic growth. In other cases, such as Portugal and Greece, limited access to finance and insufficient institutional coordination continue to hinder effective policy implementation.

Across multiple indicators, persistent gaps in investment, innovation, and infrastructure emerge as critical constraints. Although the circular economy is increasingly framed at the EU level as a driver of competitiveness and resilience, it is still frequently treated at the national level as a predominantly environmental policy domain. This narrow policy framing reduces incentives for private sector engagement and weakens integration with industrial, financial, and innovation policies. As a result, circular business models remain underdeveloped, and their contribution to employment and gross value added is not fully realised.

Moreover, the findings highlight that progress toward global sustainability and resilience remains uneven. High consumption footprints and carbon-intensive production patterns in several Member States indicate that circular practices have not yet been sufficiently integrated into broader production and consumption systems. At the same time, high levels of material import dependency in many economies underscore Europe's continued vulnerability to external supply shocks, reinforcing the importance of developing regional circular value chains and secondary raw material markets.

Finally, social and behavioural factors—including limited consumer awareness, insufficient education, and gaps in workforce skills—continue to constrain the transition toward a circular economy. Even in more advanced cases, implementation is often slowed by a lack of practical expertise and limited capacity within both public institutions and the private sector.

Addressing these challenges requires a shift from formal policy adoption toward coordinated, systemic, and enforceable implementation. Member States need to integrate circular economy objectives more effectively into broader economic and industrial strategies, while strengthening governance structures, improving policy coherence, and enhancing administrative capacity. At the EU level, greater emphasis should be placed on supporting data harmonisation, capacity-building, and the development of cross-border circular value chains.

Ultimately, strengthening governance, mobilising investment, fostering innovation, and developing human capital will be essential for translating

the EU's regulatory leadership into tangible and sustained circular economy outcomes across Europe.

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2

Beyond the Green Deal: A Comparative Analysis of Circular Economy Transitions in the Visegrad Group and Baltic States

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Abstract

The European Green Deal mandates a structural shift from linear to circular economic models, presenting unique challenges for the post-socialist economies of Central and Eastern Europe. This chapter provides a state-of-the-art comparative analysis of Circular Economy (CE) regulations and performance in the Visegrad Group (V4: Czechia, Hungary, Poland, Slovakia) and the Baltic States (Estonia, Latvia, Lithuania).

Utilizing a mixed-methods approach that combines qualitative legislative review with quantitative analysis of 2023–2024 Eurostat data, the study reveals a divergent "dual-speed" transition. While the Baltic states, particularly Lithuania and Estonia, are leveraging digital governance and aggressive eco-taxation to drive upstream circularity, the V4 nations face significant industrial "lock-in", relying heavily on downstream waste management solutions like incineration. The results highlight a critical paradox: some nations achieve high municipal recycling rates (e.g., Slovakia, Latvia) yet fail to reintegrate secondary materials into the economy (low Circular Material

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Use Rate), suggesting a "recycling trap". The chapter concludes with region-specific policy recommendations to bridge the gap between compliance and genuine circularity.

2.1 Introduction

The transition to a Circular Economy (CE) is no longer a niche environmental policy but a central pillar of the European Union's industrial strategy. For the "New Member States" of the Visegrad group (V4 countries – namely Czechia, Slovakia, Hungary and Poland) and the Baltic countries (namely Lithuania, Latvia and Estonia), this transition is fraught with historical and structural complexities. Having undergone rapid industrialization and market liberalization in the 1990s, these nations now face the "middle-income trap" and the pressure to decouple economic growth from resource depletion.

Current literature often treats Central and Eastern Europe (CEE) as a monolith. This our study sees as a research gap and want to argue about divergent approaches in different countries. The Visegrad group, serving as the "industrial workshop" of Europe (notably in automotive industry), faces high barriers to circularity due to embedded linear supply chains. In contrast, the smaller, service-oriented Baltic economies are adopting agile, digital-first regulatory frameworks.

To address the research gap regarding regional divergence and to empirically validate these distinct trajectories, this chapter poses two research questions (RQs):

RQ1: Higher municipal waste recycling rates (MWRR) do not necessarily lead to higher circular material use rates (CMUR) in Visegrad and Baltic countries.

RQ2: Baltic States and Visegrad Group countries exhibit statistically significant differences in circular economy performance, particularly in CMUR.

The remainder of this chapter is as follows: firstly, we will introduce the state-of-the-art literature review focusing on the latest developments in the area of circular economy with side effects of digitisation and ESG agenda, further study the circular economy strategies in Visegrad group countries and Baltic countries and finally to proof the current situation by relevant data about circular material use and recycling of municipal waste. The chapter will conclude with policy recommendations and limitations.

2.2 Literature Review

Recent scholarship (2020–2024) highlights three dominant themes in the CEE circularity discourse: (i) the implementation gap, (ii) digitalization as an enabler, and (iii) industrial path dependency.

The transition to a Circular Economy is increasingly recognised not merely as an environmental adjustment but as a fundamental systemic restructuring of the global economy. Current literature defines the CE as a regenerative system designed to challenge the conventional "end-of-life" paradigm associated with linear production models. Zisopoulos et al. (2025) argue that this transition requires a shift from a mechanistic view to an "ecological metaphor", treating the economy as an adaptive, living system capable of restoring biogeochemical cycles. This regenerative approach is crucial not only for environmental performance but also for addressing socio-economic dimensions, such as fostering social care and shaping political power within economic systems. Consequently, the modern CE framework seeks to decouple resource consumption from economic growth, positioning itself as essential for meeting the strict principles of the Paris Agreement and supporting the global transition toward a carbon-neutral economy.

Despite the theoretical promise of the circular economy, practical implementation is often hindered by the limitations of traditional waste management frameworks. While the "3R" concept (Reduce – Reuse – Recycle) remains a foundational pillar, recent studies suggest it is insufficient for achieving deep circularity due to structural "lock-ins". Tuni et al. (2024) highlight specific risks in circular business model innovation, particularly the limited availability and inconsistent quality of secondary materials, which creates significant barriers for industries attempting to reintegrate recovered resources. These supply chain constraints often force industries to rely on linear inputs despite high theoretical recycling targets. Furthermore, the 3R concept has evolved into broader frameworks like the 10R model to address these gaps, emphasizing value retention strategies – such as remanufacturing and refusing – over simple material recovery. Without this shift, economies face a "recycling trap" where waste is managed but not valorised.

A significant paradox is the "rebound effect", where increased efficiency fails to reduce aggregate resource consumption. Yerushalmi and Saha (2025) caution that circular economy innovation can backfire on the environment, e.g., in the textile sector, efficiency gains that lower costs may inadvertently stimulate higher consumption levels rather than reducing absolute material footprints. This finding is critical for evaluating regional performance, as it suggests that nations achieving high rates of waste collection may still fail to

decouple economic growth from virgin resource use if consumption patterns remain unchecked.

In contrast to the inertia observed in heavy industry, digitisation has emerged as a primary driver for closing the loop. Schultz et al. (2025) emphasize that digital tools are essential for facilitating the exchange of information between suppliers and firms, allowing for the timely alignment of circular processes that is often missing in linear models. Civera et al. (2025) further support this, noting that technology is essential for "driving circular textiles" and preventing the loop from stopping, as digital tools improve transparency and reduce waste by making material flows visible.

Beyond technology, the role of stakeholder pressure is pivotal. Agyabeng-Mensah et al. (2024) demonstrate that the capability to exchange environmental information is a moderating factor that translates stakeholder pressure into actual circular supply chain practices. This implies that for SMEs, the barrier to circularity is often informational; without the digital capacity to exchange data on material availability, circular innovation remains stunted.

The converge of ESG (Environmental, Social, and Governance) frameworks with circular principles is providing the necessary governance structure to drive this systemic change. Agyemang et al. (2025) explore the "ESG-Circular Economy Nexus", finding that environmental disclosure is a statistically significant driver of CE implementation, particularly in emerging markets where it fosters innovation and sustainable business models. This strategic alignment is further supported by Menichini et al. (2025), whose expert-based analysis confirms that the environmental dimension of ESG reporting is the most effective tool for capturing circular value creation (accounting for nearly 40% of effectiveness). These findings underscore that ESG reporting has evolved from a symbolic exercise into a measurable driver of systemic change, helping organisations bridge the gap between compliance and genuine economic transformation.

While transposition of the European Union's Circular Economy Action Plan is high, its enforcement varies. EEA (2024) warns that several Visegrad group countries are at risk of missing 2025 recycling targets, identifying a "compliance-performance gap". On contrary, Estonia and Lithuania are increasingly viewed as pioneers in using digital public services to track material flows and enforce Extended Producer Responsibility, a trend less visible in the heavier institutional structures of Poland or Czechia (Bran et al., 2021).

2.3 Methodology

This chapter employs a mixed-methods comparative framework focusing on a qualitative regulatory analysis and a quantitative performance assessment

from the perspective of circular material use rate (CMUR) and recycling rate of municipal waste (MWRR).

A systematic review of National Circular Economy Action Plans and key legislative acts passed between 2019 and 2024. Sources include official government roadmaps (for countries with the exception of Hungary) and OECD circularity roadmap for Hungary.

Analysis of the most recent Eurostat data (current data for years 2023 and 2024) is focusing on two critical indicators: (i) circular material use rate (CMUR) – a proxy for "upstreaming" circularity, and (ii) municipal waste recycling rate – a proxy for "downstream" waste management efficiency.

While CMUR and MWRR capture upstream and downstream circularity, respectively, they are complemented by resource productivity (GDP per unit of domestic material consumption) as a contextual indicator reflecting economic efficiency in material use. Although not analysed quantitatively in this chapter due to space constraints, resource productivity provides an important background dimension for interpreting the "recycling trap", as countries may achieve high recycling rates without improving overall material efficiency. The combined use of these indicators strengthens the analytical validity of the circularity assessment.

By comparing alternative measurement approaches (Pakula et al., 2025), the study demonstrates that results are highly sensitive to indicator selection, weighting schemes, and aggregation methods, which can significantly alter country rankings and policy interpretations.

Based on an analysis of the literature, the author decided to use the CE monitoring indicators proposed by the European Commission (Mazur-Wierzbicka, 2021). To date they are the only framework for monitoring CE throughout the world developed at the pan-national level. For this study there were developed two research questions:

RQ1: Higher municipal waste recycling rates (MWRR) do not necessarily lead to higher circular material use rates (CMUR) in Visegrad and Baltic countries.

RQ2: Baltic States and Visegrad Group countries exhibit statistically significant differences in circular economy performance, particularly in CMUR.

RQ1 captures the "recycling trap" identified in Latvia, Lithuania, and Slovakia, where high recycling performance does not translate into material reintegration into the economy. It challenges the assumption that recycling automatically improves circularity and reflects structural barriers such as weak secondary material markets (Potkány et al., 2025).

RQ2 reflects the "dual-speed transition" identified in the study, where Baltic states leverage digital governance and eco-taxation, while Visegrad countries face industrial lock-in. Addressing these questions evaluates whether regional policy and economic structures result in systematically different circularity outcomes (Remeikiene et al., 2025).

Due to the small number of observations (seven countries) and the heterogeneity of economic structures, no formal inferential statistical tests such as t-tests, ANOVA, or non-parametric equivalents were applied. Instead, RQ2 is examined through a comparative descriptive and conceptual analysis, combining cross-country indicator comparison, graphical inspection (Figures 2.1 and 2.2), and triangulation with qualitative regulatory and structural evidence. This approach is consistent with prior comparative circular economy studies focusing on regional clusters rather than population-level inference.

2.4 Regulatory Frameworks

2.4.1 The Baltic States: Agile, digital, and tax-driven

The Baltic regulatory approach is characterized by speed and the integration of fiscal instruments.

Emerging as a regulatory leader, Lithuania updated its Law on Pollution Tax and Waste Management Law in 2023/2024. Key reforms include stricter liability for producers of WEEE (waste electrical and electronic equipment) and an expansion of its highly successful Deposit Return System. Lithuania is aggressively phasing out fossil fuel subsidies to force a shift toward renewables and circular inputs.

The Estonia 2035 strategy and the Circular Economy White Paper prioritize the digitalization of waste data. However, regulation is complicated by the oil shale sector, which generates massive amounts of mineral waste, skewing national statistics.

The Action Plan for Transition Towards Circular Economy 2020–2027 focuses on "industrial symbiosis" encouraging waste exchange between industries. While robust on paper, enforcement relies heavily on EU funding availability.

Two complementary mechanisms help explain why the Baltics can outpace many peers in selected indicators. First, digital monitoring of waste flows reduces enforcement costs and increases the credibility of EPR (extended producer responsibility) regimes: Estonia is piloting a national, near-real-time digital monitoring system to improve traceability and sorting behaviour, an innovation that can materially reduce leakage and measurement error that

typically undermines CE metrics (EBIA, 2021). Second, fiscal nudges notably pollution taxes, deposit return refunds, and phasing out fossil-fuel support create upstream price signals that increase the competitiveness of secondary inputs when combined with stable collection systems; Lithuania's recent legislative package on pollution taxation and the Baltic DRS implementations are concrete cases in point that also reflect EU guidance on fiscal instruments for circularity (Tugran, 2023).

Regional policy briefs and project work in the Baltic Sea region document multiple pilot projects where one firm's residuals become another's feedstock, illustrating a pragmatic route to increasing material reuse even in the absence of deep domestic manufacturing of secondary goods. However, scaling industrial symbiosis requires strong public–private matchmaking, investment in reverse-logistics, and long-term contractual certainty conditions that are uneven across the region and often dependent on EU co-financing (Tugran, 2023).

Two structural constraints limit the policy translation from recycling performance into genuine circular material flows. First, market absorption: high collection rates do not automatically create domestic demand for secondary materials; remanufacturing and industrial uptake require standards, quality assurance, and often subsidies or tax parity with virgin inputs. The Baltic successes in collection and monitoring therefore risk producing a "recycling trap" unless matched by procurement policies, industrial symbiosis agreements, or targeted investment incentives that generate end-use demand. Second, statistical and definitional issues: in some countries (mostly in Estonia) high CMUR values are partially driven by the specific accounting of large industrial by-products e.g. reuse of mineral wastes from oil-shale mining in backfilling or energy production rather than by circularity in consumer goods and industrial supply chains. This creates measurement artefacts that complicate cross-country comparisons unless indicator definitions and boundary conditions are harmonised.

2.4.2 The Visegrad Group: Industrial weight and centralization

Unlike the Baltic countries, which are increasingly service-oriented and digital-first, the Visegrad Group remains the industrial workshop of Europe. The region is characterized by a high share of heavy manufacturing and mechanical engineering in its economic structure. This structural legacy creates a distinct path dependency—circularity in the Visegrad group is often viewed through the lens of industrial waste management and energy recovery for manufacturing, rather than agile consumer loops. The industrial inertia

hinders the decoupling of economic growth from resource consumption and slows the adoption of upstream circular business models compared to the more flexible Baltic economies.

As the largest regional economy, Poland's *Roadmap towards the Transition to Circular Economy* emphasizes raw material security (MEP, 2019). It reveals a strategic pivot from a linear to a circular economic model, driven primarily by the need to decouple economic growth from resource consumption. The strategy identifies high resource intensity as a structural weakness of the Polish economy, positioning circularity as a necessary instrument for ensuring future industrial competitiveness and resource security. By structuring the transition around core pillars – sustainable industrial production, sustainable consumption, the bioeconomy, and new business model – the framework addresses the entire product lifecycle. This approach shifts the focus from "end-of-pipe" waste management to "upstream" interventions, concluding that efficiency must be prioritized at the design and manufacturing stages to effectively prevent waste generation. The strategy relies on a synergy between technological innovation and market-based policy instruments to operationalize this shift. While R+D is essential for developing technologies to recover secondary raw materials, it must be supported by legislative tools such as Extended Producer Responsibility and Green Public Procurement. By internationalising environmental costs and fostering a functional market for secondary raw materials, this Roadmap aims to stimulate demand for circular products and services, thereby closing the loop in key sectors like construction, energy, and agriculture.

Circular Czechia 2040 (MEC, 2021) strategy reveals a fundamental paradigm shift in Czech policy moving beyond traditional waste management toward a holistic economic transformation. Czechia frames circularity as a critical economic imperative essential for long-term competitiveness and resource security. The transition is positioned as a key driver for resilience designed to foster innovation and create new value chains mitigating risks associated with linear consumption patterns. The successful implementation of this strategy is contingent upon cross-cutting enablers, specifically research, development and digitisation. The transition requires a robust support infrastructure, including the use of economic instruments, green public procurement, and iterative Action Plans (e.g. Action Plan 2022-2027) to steer market behaviour. The strategy underscores that without significant investment in new technologies – such as digital product passports and advanced recycling methods – and a parallel focus on education to build human capital, the ambitious goal of a fully circular economy by 2040 cannot be realised.

The *Greener Slovakia* (MES, 2019) strategy reveals a decisive policy shift aimed at dismantling the country's historic dependence on landfilling in favour of a higher-value circular model. The government has redefined waste management as a resource efficiency imperative, mandating in municipal waste landfilling to under 25% by 2035 and an increase in recycling rates to 60% by 2030. This strategic pivot is grounded in the "waste hierarchy" principle, prioritizing prevention over disposal:

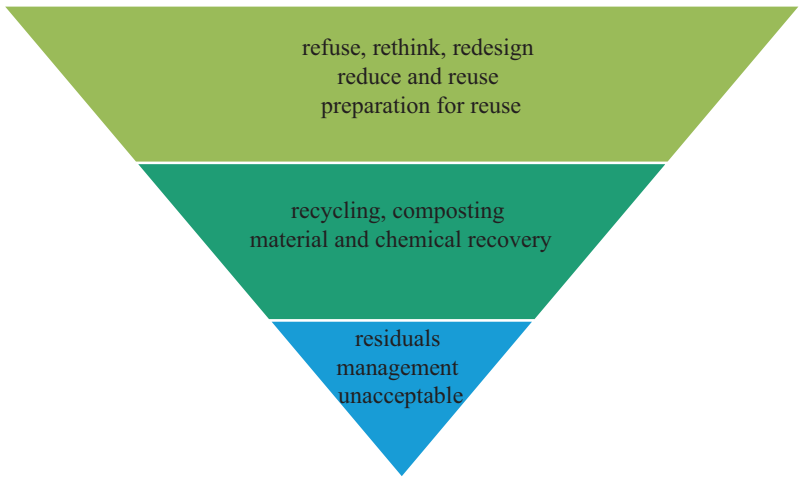

Figure 2.1 Waste hierarchy.

Achieving these targets relies on reversing the current economic logic: the strategy explicitly plans to drastically increase landfill fees and strengthen Extended Producer Responsibility, thereby making linear disposal financial unsustainable for municipalities and businesses alike. The successful implementation requires Slovakian government to transition from a passive regulator to an active market catalyst. By leveraging public spending power, the strategy aims to guarantee demand for eco-designed and recycled products, effectively de-risking the market for private innovation. There is also visible the emphasis on behavioural economic tools, such as "pay-as-you-throw" schemes, which are designed to directly incentivize household waste separation, thus addressing the circular transition at both the macro-economic and individual consumer levels.

The only country lacking the circular economy strategy is Hungary. OECD drafted in 2023 a policy paper Towards a National Circular Economy Strategy for Hungary (OECD, 2023) pointing out that a comprehensive

strategic framework is urgently required to decouple Hungary's economic growth from its rising material consumption. Hungary's current policy landscape, creating a risk of a 33% increase in raw materials by 2050, must pivot from a reliance on downstream waste management to "upstream" interventions. The proposed OECD strategy for Hungary outlines a vision for 2040 with specific, quantifiable targets – including doubling resource productivity and the circular material use rate – concluding that improving resource efficiency is not merely an environmental obligation but a critical economic lever for reducing import dependency and enhancing national competitiveness. This transition relies on targeted interventions within three high-impact sectors: (i) biomass and food, (ii) construction, and (iii) plastics. Closing loops in these areas requires a sophisticated mix of regulatory and economic instruments, such as mandating selective demolition in construction and incentivizing high-value bio-based products over simple energy recovery. OECD framework suggests that successful implementation depends on cross-cutting enablers, specifically digitisation and eco-innovation, which are necessary to track material flows, support new business models like "product-as-a-service" and foster the creation of a resilient market for secondary raw materials.

2.5 Quantitative Analysis

The divergent regulatory approaches have led to distinct performance outcomes from the perspectives of circular material use rate (CMUR) and recycling rate of municipal waste (MWRR). Table 2.1 presents the latest available data (Eurostat, 2025a, 2025b).

Table 2.1 Comparative Circular Economy Indicators (2022–2023 Data)

Quantitative indicators were sourced from Eurostat using dataset codes sdg_12_41 (circular material use rate) and sdg_11_60 (recycling rate of municipal waste), ensuring transparency and reproducibility of the analysis.

Country	Region	CMUR 2024	MWRR 2023	Performance archetype
Estonia	Baltic	20.5%	37.9%	High circularity / low recycling
Latvia	Baltic	6.8%	50.8%	The recycling trap
Lithuania	Baltic	4.2%	49.3%	Recycling-focused
Czechia	V4	14.8%	43.5%	Balanced improver
Hungary	V4	7.3%	33.4%	Structural laggard
Poland	V4	7.7%	27.6%	Stagnating industrialist
Slovakia	V4	12.2%	50.3%	The recycling trap
EU-27 average	xxx	12.2%	47.7%	Xxx

Source: Eurostat (2025a, 2025b)

To gain a better understanding of the study, it is important to present the data clearly through valid analytical visualizations. The graphs below are created based on Table 1, using data extracted from Eurostat (2025a and 2025b).

Comparative circular economy indicators (CMUR 2024; MWRR 2023).

Source: Eurostat (datasets sdg_12_41 and sdg_11_60). Data reflect the most recent harmonised releases available at the time of analysis.

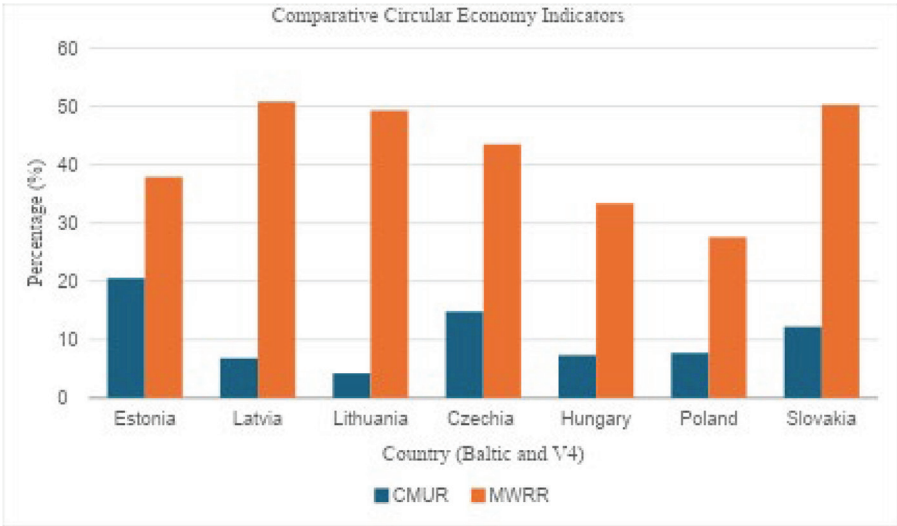

Figure 2.2 Comparative Circular Economy Indicators (2022-2023).

Estonia clearly stands out with the highest CMUR (20.5%) but a below EU average MWRR, reinforcing its classification as high circularity / low recycling driven by industrial by product reuse.

Latvia, Lithuania, and Slovakia show very high recycling rates approximately (50%) but low CMUR, visually confirming the "recycling trap" phenomenon.

Czechia demonstrates a relatively balanced performance on both indicators, supporting its balanced improver archetype.

Poland and Hungary cluster at the lower end of both CMUR and MWRR, reflecting structural and industrial constraints.

Therefore, it can be recognized that, The EU-27 average provides a clear benchmark, showing that several countries meet or exceed recycling targets without achieving comparable circular material use.

Relationship between circular material use rate (CMUR) and municipal waste recycling rate (MWRR) for Baltic States and Visegrad Group

countries, benchmarked against the EU-27 average. Source: Eurostat; years 2023–2024.

For the better visualisation serves Figure 2.2 dealing with the positioning of CMUR and MWRR:

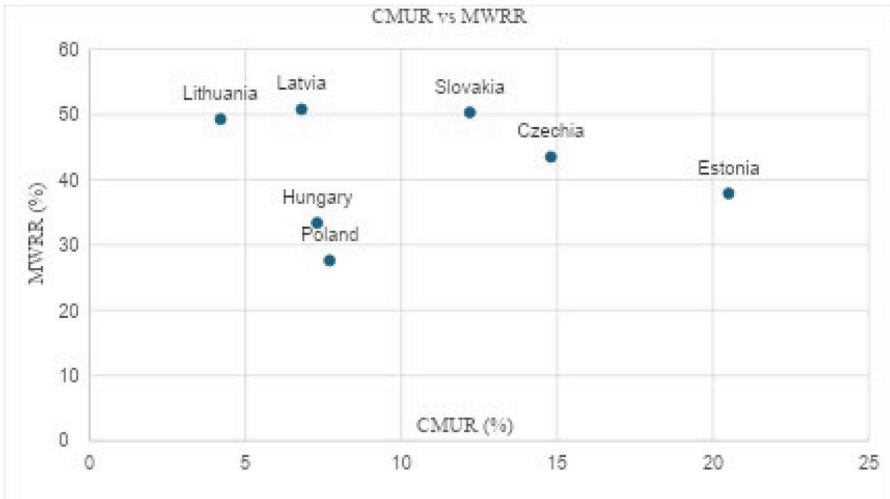

Figure 2.3 Comparative analysis – CMUR vs MWRR.

Scatter plot of Circular Material Use Rate (CMUR) and Municipal Waste Recycling Rate (MWRR) for Baltic States and Visegrad Group countries, by considering the EU-27 average. The figure highlights the decoupling between recycling performance and upstream circular material use.

Estonia: Appears as a clear outlier with the highest CMUR, but only moderate recycling performance, confirming that its circularity is largely driven by industrial by product reuse rather than household recycling.

Latvia, Lithuania, Slovakia: Cluster in the upper-left quadrant with high MWRR, but low CMUR, providing strong visual evidence of the "recycling trap", efficient collection without downstream material reintegration. Consumers are here diligent sorters, but are not offered circular products in return.

Czechia: Located near the centre with moderately high CMUR and MWRR, supporting its classification as a "balanced improver" with progress on both upstream and downstream circularity.

Poland and Hungary: Concentrated in the lower-middle area, showing low values on both axes, consistent with industrial lock-in in and limited secondary material markets.

The data suggests that the Visegrad group and Baltic countries are on divergent paths. The Baltic model is characterized by high variability; Estonia leads in material use metrics while Latvia excels in recycling. This reflects agile but fragmented policy-making where specific national interests (e.g., oil shale in Estonia) drive metrics.

The Visegrad group model is characterized by inertia. Despite robust strategic documents like Circular Czechia 2040, the structural transformation of the economy is slow. The "compliance-first" approach has improved recycling rates (notably in Slovakia and Poland) but has failed to close the loop at the production stage. The danger for the Visegrad group is a shift from landfilling directly to Waste-to-Energy (incineration). While this reduces landfill use, it locks valuable materials out of the circular loop, effectively burning resources that could be reused.

Differences in industrial structure further explain the observed patterns. The Visegrad economies remain strongly manufacturing-oriented, particularly in automotive, machinery, and energy-intensive industries, which reinforces linear material dependencies and slows upstream circular transformation. In contrast, the Baltic States exhibit a higher relative share of services and digitally enabled sectors, allowing faster institutional experimentation but limiting domestic absorption capacity for secondary materials. These structural asymmetries help explain why recycling success does not automatically translate into higher circular material use.

True consumer protection in the circular economy requires not just recycling infrastructure, but legislative enforcement of eco-design to ensure that high recycling rates do not mask unchecked consumption growth.

2.6 Conclusion, Policy Recommendations and Limitations

This chapter set out to address two research questions. **RQ1**: Higher municipal waste recycling rates (MWRR) do not necessarily lead to higher circular material use rates (CMUR) in Visegrad and Baltic countries, while **RQ2**: Baltic States and Visegrad Group countries exhibit statistically significant differences in circular economy performance, particularly in CMUR.

The findings provide consistent evidence that recycling performance alone is insufficient to ensure upstream circularity and that regional development paths diverge significantly.

The transition toward a circular economy in the Visegrad Group and Baltic states is characterised by a "dual-speed" trajectory reflecting distinct industrial legacies and regulatory philosophies. This chapter concludes that a significant "compliance-performance gap" persists, particularly in the Visegrad group countries where the structural inertial of heavy industry

hinders the decoupling of economic growth from virgin resource consumption. While the Baltic countries demonstrate greater agility through digital governance and aggressive fiscal instruments like pollution taxes and deposit return systems, their performance is often non-uniform. E.g., Estonia's leading circular material use rate is heavily influenced by the reuse of industrial by-products from oil shale mining rather than a systemic shift in consumer supply chains, highlighting the need for more nuanced metrics.

Furthermore, the research identifies a critical "recycling trap" prevalent in countries like Slovakia and Latvia. Despite achieving municipal recycling rates meeting or exceeding EU targets, these countries fail to reintegrate recovered materials back into their domestic production cycles, resulting in low circular material use rates. This suggests that "downstream" waste management efficiency, while necessary, is insufficient without "upstream" market-based interventions. Without a strategic pivot away from incineration and toward high-value retention strategies – such as remanufacturing and industrial symbiosis – there is a high risk that these countries will merely transition from landfilling to resource-burning, failing to achieve genuine economic transformation.

To bridge the identified gaps between regulatory framework and practical implementation, region-specific interventions are required. For the Visegrad countries, policy should focus on dismantling the "industrial lock-in" by incentivising circular business model innovation. Governments should implement robust Green Public Procurement standards to guarantee demand for eco-designed products and provide targeted R+D subsidies to SMEs to transition from linear production to remanufacturing. Additionally, to avoid the "incineration trap", Visegrad countries must drastically increase landfill and waste-to-energy fees to ensure that the economic logic favours material reuse over disposal or simple energy recovery.

For the Baltic countries, the priority should be the development of mature secondary material markets to escape the "recycling trap". This involves establishing industrial symbiosis hubs that facilitate the exchange of residuals between companies, supported by digital material-flow monitoring systems to improve traceability and transparency. To address measurement artefacts, these nations should lead the harmonisation of circularity indicators at the EU level, ensuring that industrial by-products are categorised separately from consumer-driven circularity. Finally, all analysed countries shall leverage the "ESG-Circular Economy Nexus" by making environmental disclosure a mandatory driver for circular implementation, thereby transforming ESG reporting from a symbolic exercise into a measurable engine for systemic change.

This study is subject to several limitations, such as the quantitative analysis relies on a limited set of harmonised Eurostat indicators, which, while ensuring comparability, cannot fully capture sector-specific circular practices or informal material flows. Data availability and comparability constraints are particularly relevant for the 2024–2025 period, as several indicators are published with time lags and may be subject to revision. CMUR values may be influenced by country-specific industrial structures and accounting practices, especially where industrial by-products like mineral waste are reused, potentially overstating circularity in consumer-facing supply chains. The small sample size limits the use of formal statistical testing and restricts generalisation beyond the analysed regions. Future research will extend the analysis by incorporating sectoral indicators and firm-level data.

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3

The Contribution of Local Government Organizations and Citizens to the Achievement of SDG 12: A Comparative Analysis of Greece, Italy, Serbia and Moldova

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Abstract

Sustainable Development Goal 12 commits states to responsible consumption and production by 2030, with waste management at its operational core. This chapter investigates how Greece, Italy, Serbia, and Moldova pursue SDG 12 through legislative architectures, infrastructure investments, local government practices, and citizen engagement. The four-country sample captures a gradient of European integration: a mature EU performer (Italy, 50.8% MSW

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recycling), a lagging EU member (Greece, 17.4%), an EU candidate (Serbia, ~8–10%), and an Eastern Partnership state (Moldova, <5%). Using comparative qualitative policy analysis supplemented by Eurostat, EEA, and national authority data, the study examines how each country translates the Waste Framework Directive and the Circular Economy Action Plans into national strategies and local practice, with particular attention to Local Government Organizations as the interface where policy meets citizen behaviour. Findings indicate that legislative alignment is broadly achievable but outcomes diverge dramatically. Three institutional variables are most strongly associated with performance: maturity of producer-responsibility infrastructure, depth of inter-municipal aggregation, and behavioural embedding over decades. Greece's experience demonstrates that finance is necessary but insufficient. The chapter identifies three implementation typologies and concludes with country-differentiated policy recommendations and an individual-action framework adaptable across heterogeneous European contexts.

3.1 Introduction

Waste is the residue of how societies produce and consume. Reducing it; managing what cannot be prevented is inseparable from the broader transition toward sustainability that Sustainable Development Goal 12 of the United Nations 2030 Agenda calls for. The world's 7+ billion people generate roughly 2 billion tonnes of municipal solid waste annually, projected to reach 3.4 billion tonnes within three decades on current trajectories (World Bank, 2018). Roughly half is not collected, treated, or safely disposed of. Among the most assertive policy actors in this domain stands the European Union, which has built — through the Circular Economy Action Plan (European Commission, 2015, 2020), Directives 2008/98/EC and the 2018 amendments, and Cohesion Policy — an architecture intended to drive Member States and accession partners toward circular models. Extensive though this architecture is, whether it works is another question — and the answer varies dramatically between countries.

This chapter examines that variation. Specifically, it asks how Greece, Italy, Serbia, and Moldova translate the common EU policy framework into national legislation, regional and local action, and citizen behaviour — and what the comparison reveals about the determinants of effective SDG 12 implementation.

Our country selection is deliberate. They occupy distinct positions on the spectrum of European integration and circular economy maturity. Italy, a founding EU member, ranks among Europe's best performers in packaging waste recycling (75.6% in 2023, against an EU average of 65.4%) and operates

a mature industrial recycling sector (Eurostat, 2024). Greece, an EU member since 1981, presents a paradox: extensive legislative alignment coexists with a municipal waste recycling rate of 17.4% — among the lowest in the Union (Eurostat, 2024; EEA, 2024). Serbia, an EU candidate since 2012, has made significant progress in harmonising the legislative framework with European standards in the field of waste management. At the same time, challenges remain in terms of consistent enforcement of regulations and infrastructure improvements, with municipal waste still largely disposed of through landfill (World Bank, 2023). Moldova, an Eastern Partnership country and EU candidate since 2022, is constructing its waste management system largely from scratch with sizeable EU and EBRD donor support, operating under its National Waste Management Programme 2023–2027 (Government of the Republic of Moldova, 2023).

Examining these four cases together yields insights single-country studies cannot. It tests what works at different stages of policy and infrastructure maturity, and what fails to transfer across contexts. It also examines Local Government Organizations (LGOs), which was the focus of our previous work on the Greek case (Papavasileiou et al., 2024), under markedly different administrative traditions. The chapter extends earlier comparative work (Cifuentes-Faura, 2025; Martínez-Jiménez et al., 2021) by widening the lens beyond the EU-27 to include both an accession country and an Eastern Partnership country. Challenges Serbia and Moldova face, and the lessons their trajectories offer, remain comparatively underexplored in the European waste policy literature.

The analysis moves from methodological framework and European policy architecture (Sections 3.2–3.3) through comparative legislative, infrastructure, and governance findings (Sections 3.4–3.7) to cross-country synthesis, country-differentiated recommendations, and conclusions (Sections 3.8–3.10). We deliberately narrow our focus to municipal solid waste, where LGOs and citizen action intersect most directly and where comparative data is most reliable; the trade-off is that we cannot claim to have analysed SDG 12 in its full breadth.

3.2 Theoretical Framework and Methodology

3.2.1 Approach

The study adopts a comparative qualitative policy analysis approach, supplemented by quantitative indicators from harmonised European statistical sources. Waste management is, at its core, a governance problem (Bondarouk

& Mastenbroek, 2018). Quantitative indicators — recycling rates, MSW per capita, landfill diversion percentages — are necessary but not sufficient. They tell us what is happening, not why; the why is what matters for transferable policy lessons (Schaffrin et al., 2015). Comparative policy analysis as developed by Heidenheimer et al. (1990) and refined for environmental contexts by Jordan and Adelle (2013) provides the methodological scaffolding: systematic comparison across a defined set of dimensions, holding the comparative framework constant while allowing each case to be examined on its own terms.

3.2.2 Analytical dimensions

We compare the four countries across five analytical dimensions in a most-different-systems design, deliberately chosen to capture the policy chain from European-level commitments to citizen behaviour (cf. Pires et al., 2019). The dimensions are five. First, legislative and strategic frameworks — transposition of EU directives, national waste management plans, regional and local planning instruments. Second, infrastructure and performance — quantitative indicators including MSW generation per capita, recycling rates under both old and new harmonised EU calculation rules, landfilling percentages, packaging waste performance, and infrastructure capacity. Third, Local Government Organizations — constitutional and statutory powers of local authorities, financial and human resource capacity, and relationships across governance levels. Fourth, citizen participation and behaviour — mechanisms for engagement, separate collection participation, awareness campaigns, behavioural instruments such as Pay-As-You-Throw (Reichenbach, 2008). Fifth, funding and investment mechanisms — EU Cohesion Policy allocations, Recovery and Resilience Facility resources, IPA funding, EU4Moldova and EBRD support, and Extended Producer Responsibility schemes.

3.2.3 Data sources and limitations

We rely on official, publicly available sources to ensure reproducibility. Primary sources, broadly speaking, include: national waste management plans, gazette publications of relevant legislation, Eurostat databases (env_wasmun, env_wasobl, sdg_12_50 series), EEA country profiles, World Bank assessments, and reports from international financial institutions (EBRD, AFD, EIB). Secondary sources include peer-reviewed comparative literature (Cifuentes-Faura, 2025; Martínez-Jiménez et al., 2021; Pires et al., 2019) and country-specific academic and grey literature. For Moldova, where Eurostat

coverage is largely limited, we draw on national statistical data, the National Waste Management Plan 2023–2027, UNDP and EBRD project documentation, and academic work from Moldovan and regional researchers (Plotnic, 2024a).

Three limitations should be acknowledged. First, data comparability is generally imperfect. The EU's harmonised waste calculation rules apply from 2025 going forward, but historical data was generated under different methodologies, and Serbia and Moldova report under their own. Where rates are quoted, we indicate the methodology. Second, the depth of analysis varies between cases — the evidence base is typically richer for Italy and Greece than for Serbia and Moldova, and we note this asymmetry rather than disguise it. Third, the study does not include primary fieldwork; it is a desk-based policy analysis. Field data would strengthen subsequent work but lay beyond the present scope. These limitations notwithstanding, the comparison yields conclusions sufficiently grounded to inform policy discussion at both national and EU level.

3.2.4 Categorisation Rubric for performance assessment

Several of our findings — most visibly the Figure 3.3 heatmap in Section 3.8 — categorise country performance against EU 2025/2030/2035 targets. To make these categorisations transparent and replicable, we apply a three-band rubric based on the percentage gap between current performance and the relevant target by its deadline. "On track" indicates that current performance is at or within roughly 10 percentage points of the target with a credible trajectory to close any remaining gap by the deadline; this corresponds, for instance, to Italy's 50.8% MSW recycling against the 55% 2025 target. "Lagging" indicates a gap of approximately 10 to 30 percentage points with implementation underway but uncertain to close; this corresponds, for instance, to Greece's packaging-waste recycling (~63%) against the 65% target, or Italy's bio-waste separate collection where coverage is regionally uneven. "Far behind" indicates a gap exceeding 30 percentage points or evidence of structural barriers (infrastructure, governance, fiscal capacity) that make timely closure unlikely; Greece's 17.4% MSW recycling against the 55% 2025 target falls in this category. "No data" applies to Serbia and Moldova on indicators where national reporting is incompatible with EU harmonised methodologies, in which case we report qualitative directional assessment rather than force a numeric comparison. The cutoff date for assessment is the latest data available at end-2025 / early-2026. We acknowledge that the rubric thresholds are themselves analytical judgments; readers preferring

tighter or looser thresholds can re-categorise the heatmap accordingly. The substantive ranking of countries — Italy strongest, Greece and Serbia mid, Moldova weakest — holds across plausible variations in the rubric.

3.2.5 Triangulation strategy and confidence ratings

Asymmetric data quality across the four cases requires explicit handling. For Italy and Greece, harmonised Eurostat indicators, EEA early-warning assessments, and national authority data (ISPRA, E.O.AN., HSWMA) are mutually corroborating. For Serbia, national SEPA reporting, World Bank situational analysis, and donor documentation (AFD, EBRD, Bankwatch) provide independent triangulation on most quantitative claims, although recycling-rate definitions diverge from EU methodology. For Moldova, the evidence base is thinner: we rely on national-statistics data, the National Programme 2023–2027 baseline, UNDP project documentation, and Plotnic's (2024a) legal analysis. To manage this asymmetry, we apply a three-source minimum where possible for any quantitative claim concerning Serbia or Moldova; where only one or two independent sources exist, we report the claim with explicit hedging ("approximately," "national-methodology figures suggest") rather than presenting precise numbers. Confidence in the comparative ranking — Italy > Greece ≈ Serbia > Moldova on aggregate performance — rests on convergent evidence across multiple sources, even where individual-indicator precision varies. Where structural conclusions (such as the three-variable analytical claim developed in Section 3.8) depend on country-specific evidence, we note in-text where evidentiary depth is shallow and treat the resulting interpretation as more provisional than for the EU-data cases.

3.2.6 Conceptual framework and analytical propositions

The analysis is structured around three propositions developed inductively from the case literature reviewed in Sections 3.3 to 3.5 and tested narratively against the four cases in Sections 3.6 to 3.8. We state these explicitly here to make the analytical chain transparent. Proposition 1 (P1): SDG 12 performance is positively associated with the maturity of producer-responsibility infrastructure, where maturity is measured by years of operation, capitalisation, and coverage breadth (cf. Massarutto, 2014; Domenech & Bahn-Walkowiak, 2019). Proposition 2 (P2): SDG 12 performance is positively associated with the depth of inter-municipal aggregation, where depth is measured by the share of population covered by regional waste-management bodies and the operational capacity of those bodies (cf. Knill & Liefferink,

2007). Proposition 3 (P3): SDG 12 performance is positively associated with behavioural embedding — the duration over which separate-collection routines have been institutionally reinforced and culturally normalised in the population (cf. Reichenbach, 2008; Schaffrin et al., 2015).

These propositions sit within a multi-level governance frame (Knill & Liefferink, 2007; Hartley et al., 2020) and are not exclusive of alternative explanations. Falsification standards are explicit. P1 would be refuted if a country with mature, well-capitalised EPR infrastructure consistently underperformed on recycling and recovery indicators; P2 would be refuted if a country with strong regional waste-governance aggregation showed weak operational outcomes; P3 would be refuted if a country with multi-decade behavioural reinforcement showed low separate-collection participation. We also test against alternative single-variable explanations — finance access, statutory ambition, GDP per capita — in Section 3.8. The framework is therefore neither pure inductive description nor strict hypothetico-deductive testing; it is structured analytical reasoning with explicit propositions and explicit refutation conditions, appropriate to a four-case comparative qualitative design (Heidenheimer et al., 1990; Jordan & Adelle, 2013).

3.3 The European Policy Architecture for SDG 12

National variation in SDG 12 implementation makes sense only against the European framework that calibrates national systems (Domenech & Bahn-Walkowiak, 2019). Greece and Italy are bound by EU law as Member States. Serbia, as a candidate country, is engaged in legal approximation that is structuring its waste sector. Moldova, as an Eastern Partnership country and EU candidate since 2022, has aligned its 2023–2027 National Waste Management Programme with EU directives. The architecture maps across four interlocking layers: strategic policy framework (the Circular Economy Action Plans of 2015 and 2020); binding legal framework (the Waste Framework Directive and the 2018 amending package); financial framework (Cohesion Policy and the Recovery and Resilience Facility); and product-level regulation (Ecodesign for Sustainable Products and Right to Repair). Each layer creates obligations, opportunities, and constraints that show up differently in each of our cases (Calatayud-Vinent & Iglesias-Márquez, 2023).

3.3.1 Strategic frame: Circular economy action plans

Adopted in December 2015 (COM(2015) 614 final), the first Circular Economy Action Plan (CEAP) comprised 54 actions across production, consumption,

waste management, and secondary raw materials, with sector-specific attention to plastics, food waste, critical raw materials, construction and demolition, biomass, and bio-based products. By 2019 all 54 actions had been delivered or were in implementation (European Commission, 2019). A second and current plan — the New Circular Economy Action Plan, adopted in March 2020 (COM(2020) 98 final) as part of the European Green Deal — placed product design at the centre, on the rationale that up to 80% of a product's lifecycle environmental impact is determined at the design stage. Seven product value chains were prioritised: electronics and ICT; batteries and vehicles; packaging; plastics; textiles; construction and buildings; and food, water, and nutrients.

This regulatory tool-shift matters. A legal assessment by Calatayud-Vinent and Iglesias-Márquez (2023) finds that approximately 40% of measures in the first action plan and over 35% in the second address end-of-life management, and that these constitute almost all the regulatory changes with mandatory targets. Implication: the EU's circular economy agenda, despite the rhetoric of systemic transformation, remains heavily anchored in waste management rather than upstream redesign of production and consumption. National-level performance on SDG 12 is therefore closely correlated with national-level performance on waste indicators, because the binding obligations are concentrated there.

Operationally, the 2020 plan has produced extensive secondary legislation. The Ecodesign for Sustainable Products Regulation (Regulation (EU) 2024/1781) entered into force in July 2024, replacing the 2009 Ecodesign Directive and extending its scope from energy-related products to virtually all physical products placed on the EU market (European Commission, 2024a). The Directive empowering consumers for the green transition (Directive (EU) 2024/825), adopted March 2024, addresses greenwashing and improves point-of-sale information on durability and repairability. The Directive on the right to repair (Directive (EU) 2024/1799) entered into force in July 2024. Each affects waste streams indirectly by extending product lifespans and improving recyclability — though the impact timeline extends well beyond 2030, and implementation across the cases will be uneven (Hartley et al., 2020).

3.3.2 Binding Legal Frame: Waste Framework Directive and the 2018 Package

If the Action Plans set strategic direction, the binding legal frame is constructed around Directive 2008/98/EC, the Waste Framework Directive

(WFD), as deeply amended by Directive (EU) 2018/851. The WFD defines waste, hierarchises management options, establishes Extended Producer Responsibility as a general principle, and imposes recycling and recovery targets binding on Member States. At its conceptual centre sits the waste hierarchy (Article 4) — prevention, preparation for reuse, recycling, other recovery, disposal — which is binding in the sense that Member States must apply it as a priority order in legislation and policy (Pires et al., 2019). In practice, the hierarchy is more aspirational than prescriptive; several countries, Greece included, have struggled to move sizeable volumes of MSW up the hierarchy despite clear legal obligation (EEA, 2024).

The 2018 amendment package — Directives 2018/849, 2018/850, 2018/851, and 2018/852 — strengthened the WFD considerably. Key changes were five. A binding municipal waste preparation-for-reuse-and-recycling target of 55% by 2025, 60% by 2030, 65% by 2035 (Article 11(2)). A landfill cap of 10% of municipal waste by 2035 under the amended Landfill Directive (Directive (EU) 2018/850). Separate collection requirements for bio-waste from 31 December 2023 and textile waste from 1 January 2025. Tightened minimum requirements for EPR schemes (Article 8a). And a thoroughly revised methodology for calculating recycling rates from 2025, designed to eliminate the double-counting and definitional inconsistencies that had inflated reported rates in some Member States (EEA, 2025a). New calculation rules matter for cross-country comparisons: under the old methodology, rates were measured at facility input, inflating performance by including material later rejected during sorting. New rules measure at the point where waste actually enters the recycling operation in usable form. Italy's preliminary 2022 data under the new rules was 1–5 percentage points lower than under the old methodology — and Italy is broadly a relatively well-performing case (EEA, 2025a).

Specialised directives extend the binding frame. The Single-Use Plastics Directive (Directive (EU) 2019/904) imposed restrictions on specified single-use plastics from July 2021 and introduced separate collection targets for plastic beverage bottles (77% by 2025; 90% by 2029). The Packaging and Packaging Waste Regulation (Regulation (EU) 2025/40), replacing the previous directive, introduced reuse targets for transport packaging and beverage containers and restrictions on certain single-use formats. The proposed WFD revision of July 2023 would impose EPR on textile products and binding food waste reduction targets — 10% in processing and manufacturing, 30% per capita in retail and households, both compared with 2020 baselines, by end of 2030 (European Commission, 2023).

3.3.3 Financial frame and monitoring

Compliance requires investment. The 2021–2027 Multiannual Financial Framework allocates approximately EUR 392 billion to Cohesion Policy, of which EUR 12.5 billion is earmarked for circular economy and waste management — a 39% increase over the 2014–2020 envelope (European Commission, 2024b; Bankwatch, 2025). Of this, EUR 8.6 billion is direct EU funding. The 'do no significant harm' principle, derived from the Taxonomy Regulation and applied across the RRF and Cohesion Policy, restricts funding for landfill and incineration projects, channelling resources toward higher-tier waste management (Bankwatch, 2025). A specific instrument, the Cohesion Fund (EUR 42.6 billion at 2018 prices for 2021–2027), finances environment and transport in Member States with GNI per capita below 90% of the EU average (European Parliament, 2025). Greece is a beneficiary; Italy is not. The Recovery and Resilience Facility, established by Regulation (EU) 2021/241, introduced milestone-and-target disbursement with a 37% climate spending minimum. For accession countries, IPA III (Regulation (EU) 2021/1529) provides smaller-scale support; Moldova relies on EU4Environment, EU4Moldova, and EBRD blended finance (EBRD, 2024).

Eurostat's SDG 12 monitoring publication, now in its ninth edition (Eurostat, 2025), reports against 12 indicators. The Circular Material Use Rate — the share of secondary materials in total material use — stood at 11.8% in the EU-27 in 2023, well below the 2030 target of doubling from 2020 levels. Italy and Greece are subject to this indicator; Serbia and Moldova are not, although both report comparable national indicators. This asymmetry of reporting obligations is one reason like-for-like comparison across the four cases is methodologically challenging — and why we frame the analysis qualitatively in many places. Legal obligations on Greece and Italy are formally identical; differences in performance therefore cannot be attributed to differences in legal obligation. They must be sought in implementation capacity, financing decisions, institutional design, and citizen behaviour.

3.4 Results: Comparative Legislative Frameworks and Funding Mechanisms

National legislation is where European obligations meet local political economy (Knill & Liefferink, 2007). All four countries have, in their own ways, adopted the architectural elements of EU waste policy. Substance, however, differs. What changes (sometimes dramatically) is the depth of transposition, the speed of secondary legislation, and the financial machinery that turns paper

obligations into operational reality. Two caveats apply. Frameworks evolve quickly here. Snapshots that follow are accurate as of late 2025 / early 2026; we focus on framework laws and their direct circular-economy provisions, with sector-specific legislation touched on only where it bears on the comparison.

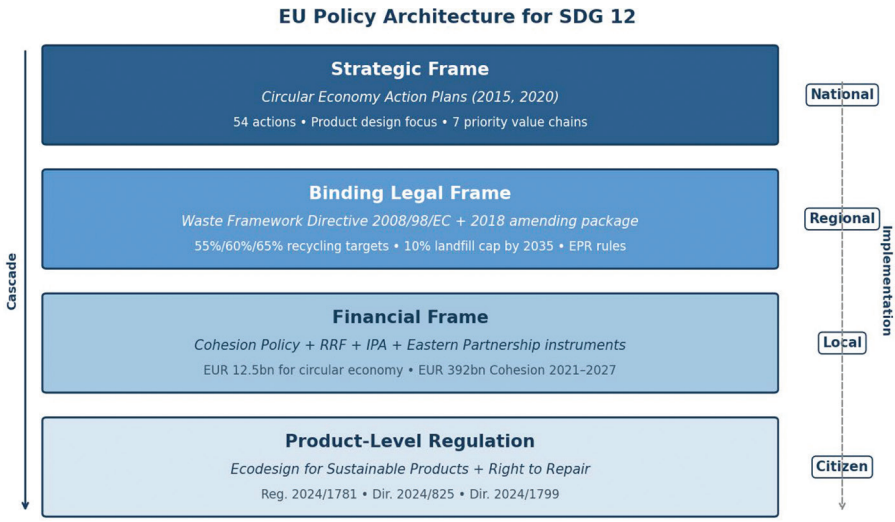

Figure 3.1 The EU policy architecture for SDG 12: four interlocking layers (strategic, legal, financial, product-level) cascading from European-level commitments to national, regional, local, and citizen-level implementation. Source: Authors' synthesis from European Commission (2015, 2020); Calatayud-Vinent and Iglesias-Márquez (2023); Bankwatch (2025).

3.4.1 Greece: Law 4819/2021 and its aftermath

Greek transposition is, on paper, the most recent and thorough of our EU sample. Law 4819/2021 (FEK A' 129, 23 July 2021), 'Integrated Framework for Waste Management', transposed Directives (EU) 2018/851 and 2018/852. This act is dense. Running to 173 articles across 11 parts, it replaced the fragmented patchwork of earlier instruments — most notably JMD 50910/727/2003 (Hellenic Republic, 2021). Substantive changes are considerable. A unified framework places prevention, reuse preparation, and recycling at the centre. Separate collection has been expanded to cover bio-waste, textiles, paper, plastics, metals, and glass. EPR fees are eco-modulated, rewarding recyclability and recycled content. The Hellenic Recycling Organisation (E.O.AN.) has been reorganised. And there is a commitment to reduce MSW landfilling to 10% by 2030 — five years ahead of the EU 2035

ceiling. Ambition is real. So is the gap, as Section 3.5 will show: the 10% target is not on track.

Law 4819/2021 has not stood still. Law 4843/2021 (FEK A' 193, 20 October 2021) added a 'clarification' part. Law 4936/2022 (FEK A' 105, 27 May 2022) amended administrative penalties and FoDSA participation in alternative packaging waste management (E.O.AN., 2024). Subsequent amendments through 2023 and 2024 have refined inspections, EPR fee structures, and LGO separate collection obligations. The accompanying NWMP 2020–2030 (Council of Ministers Act 39/31.8.2020, FEK A' 185) sets the EU-aligned targets — 55% MSW recycling by 2025, 60% by 2030, landfilling below 10% by 2030 — operationalised through Pay-As-You-Throw, source separation, MRF upgrading, and public-awareness campaigns (Hellenic Ministry of Environment and Energy, 2020). Below the national plan, each Region prepares a Regional Waste Management Plan (PESDA), and each primary-level municipality a Local Waste Management Plan (LWMP), under Article 228 of Law 4555/2018.

Greece is in a relatively privileged funding position. As a Cohesion Fund beneficiary, it has access to financing for waste infrastructure that Italy does not. The 2021–2027 MFF allocates Greece approximately EUR 21.1 billion in ERDF and Cohesion Fund resources combined, with sizeable fractions earmarked for environmental investments under Policy Objective 2 (European Commission, 2024c). Add the Greek NRRP — EUR 30.5 billion in grants and loans, with explicit waste-sector commitments including new MRFs, biowaste treatment plants, and landfill modernisation (Greek Ministry of Finance, 2021). On paper, the financial pipeline is substantial. The performance gap, then, cannot be explained by underfunding.

3.4.2 Italy: The Codice dell'Ambiente and Legislative Decree 116/2020

Italy's architecture is older, denser, and more sophisticated than Greece's. At its core stands Legislative Decree 152/2006, the Codice dell'Ambiente (Environmental Code), adopted 3 April 2006 and published in Gazzetta Ufficiale No. 88. The Code consolidated multiple prior environmental laws — including the foundational 1997 'Ronchi Decree' (Legislative Decree 22/1997) that first introduced the polluter-pays principle and separate-collection obligations — into a single coherent instrument. Part IV (Articles 177 to 266) addresses waste management. Within it, the architecture is detailed. Article 179 anchors the hierarchy as the priority order. Articles 183 and 184bis define waste and by-products. Article 184ter transposes the EU

end-of-waste concept. Article 188 codifies the duty of care. Article 205 sets separate-collection objectives at the level of the Ottimale Territoriale (OTA) or, where no OTA is established, at municipal level — with a 20% addition to the landfill tax as financial penalty for OTAs that miss targets (EEA, 2024).

Italy transposed the 2018 EU package through Legislative Decree 116/2020 of 3 September 2020, implementing both Directive 2018/851 and Directive 2018/852. Three changes were consequential. First, EPR was strengthened with new registration, labelling, and eco-modulated CONAI environmental contributions. Second, the duty of care was reinforced. Third, new digital traceability requirements arrived. The Single-Use Plastics Directive was transposed through Legislative Decree 196/2021 — a transposition that drew criticism at EU level for delayed bans and exemptions for biodegradable and compostable plastics that diverge from the harmonised approach (ISPRA, 2025; Italian Ministry of Environment and Energy Security, 2025). A distinctive Italian feature is the role of producer-responsibility consortia. CONAI (established 1997) coordinates the packaging EPR through six material-specific sub-consortia: COREPLA for plastics, COMIECO for paper, CIAL for aluminium, CoReVe for glass, RICREA for steel, Rilegno for wood. For batteries (COBAT), tyres, used oils, and other streams, similar consortium structures operate. This producer-responsibility infrastructure, accumulated over nearly three decades, partly explains Italy's strong packaging-waste performance: the institutional plumbing was already in place when the 2018 package raised targets (Massarutto, 2014).

Italian framework legislation continues to evolve. RENTRi (National Electronic Register for Waste Traceability) became operational on 13 February 2025 for large producers, replacing paper-based waste tracking with a fully digital system. Such a shift is consequential. Legislative Decree 125 of 6 September 2024 transposed the EU Corporate Sustainability Reporting Directive. The Code's most recent consolidated version incorporates amendments through Law 18 March 2025, No. 40 (Italian Ministry of Environment and Energy Security, 2025). On funding, Italy is not a Cohesion Fund beneficiary but received the largest national RRF allocation — EUR 191.5 billion in grants and loans, of which EUR 59.4 billion targeted the green transition (PNRR Mission 2). Within Mission 2, specific budget lines covered new bio-waste treatment plants, mechanical-biological treatment facilities, separate-collection infrastructure, and digital transformation (Italian Ministry of Economy and Finance, 2021). Implementation has not been smooth. Italian RRF disbursement has documented delays (European Court of Auditors, 2024). But the green-transition envelope provided investment in waste infrastructure that prior Cohesion Policy cycles had not delivered at comparable scale.

3.4.3 Serbia: From the 2009 framework to the 2025 reform

Serbia illustrates the dynamics of EU accession-driven legal reform (Stanisavljević et al., 2018). Adopted in 2009, the country's first comprehensive Law on Waste Management (Official Gazette of the Republic of Serbia No. 36/2009) was accompanied by a parallel Law on Packaging and Packaging Waste (also OG 36/2009). The 2009 framework was conceptually aligned with the pre-2018 EU acquis: waste hierarchy, EPR for packaging and other streams, institutional architecture for collection, transport, disposal. Subsequent amendments in 2010 (88/2010), 2016 (14/2016), 2018 (95/2018), and most importantly 2023 (35/2023) progressively aligned the framework with the post-2018 EU package, particularly Directive 2018/851. The 2023 amendments added provisions on the revised waste hierarchy, strengthened EPR, and introduced new bio-waste separate collection obligations (Serbia, Government. 2024).

That reform reached a turning point in 2025. Serbia's National Assembly adopted a new Law on Waste Management published in Official Gazette No. 109/2025, entering into force in late 2025 and replacing the 2009 framework in its entirety (Serbian Ministry of Environmental Protection, 2025). This break is real. The new Law retains the hierarchy concept while elaborating in considerably greater detail on specific stages of waste handling. One change stands out. Definition of 'material recovery' has been sharpened: it explicitly includes preparation for reuse, recycling, and backfilling, while expressly excluding incineration and other forms of energy recovery — a deliberate alignment with the EU's recycling-rate calculation methodology under the new harmonised rules. EPR obligations on producers are tightened. Permitting procedures are clarified. The data-reporting framework is strengthened. Above the framework legislation sits the Waste Management Programme 2022–2031 (Official Gazette No. 137/2022) and an associated Action Plan for 2026–2030, plus the Circular Economy Development Programme 2026–2030 (Serbian Government, 2022). The Green Agenda for Serbia 2024–2033, aligned with the Sofia Declaration, has been in preparation; as of early 2026, final adoption was pending.

Serbia's funding situation is structurally distinct from Member States. As an IPA III beneficiary, Serbia accesses EU pre-accession funding for environmental projects; the IPA III 2021–2027 envelope totals EUR 1.46 billion across all sectors (European Commission, 2024d). Beyond IPA, the country has accessed EBRD, EIB, AFD, and bilateral support. AFD has been particularly active, supporting a national solid waste programme covering up to eight sub-projects across approximately one third of Serbian municipalities (AFD,

2023). The financing model differs fundamentally from Greek or Italian arrangements: it relies more heavily on concessional lending and donor coordination, less on grant-based co-financing — affecting what is built, how fast, and at what cost to public finances.

3.4.4 Moldova: The 2016 foundation and the 2023–2027 National plan

Moldova is the most distinctive case in our sample. As neither an EU Member State nor part of the IPA framework until recently, the country's alignment with the WFD is shaped by the 2014 Association Agreement (Law No. 112 of 2 July 2014) and the broader Eastern Partnership architecture. Law No. 209 of 29 July 2016 on Waste transposes Directive 2008/98/EC into Moldovan law (Government of the Republic of Moldova, 2016), setting the standard EU framework: hierarchy, EPR principle, separate collection, definitions, permitting and reporting. Originally, this 2016 Law was accompanied by a Waste Management Strategy 2013–2027 (Government Decision 248/2013) that pre-dated the framework law itself — an unusual sequencing that became increasingly problematic as the Strategy's operational targets diverged from the legal framework. A 2019 amendment (Law No. 22 of 11 March 2019) excluded the cross-reference, formally severing the legal nexus. By 2024, the 2013–2027 Strategy was effectively obsolete (Plotnic, 2024a).

Its replacement is the National Waste Management Programme 2023–2027, approved by Government Decree No. 972 on 6 December 2023 and entering into force on 6 March 2024 (Government of the Republic of Moldova (2023)). The Programme targets a 30% reduction in landfilled waste by 2027, identifying infrastructure priorities including seven solid waste landfills, 34 transfer stations, and two mechanical-biological treatment plants in Chișinău and Bălți (UNDP, 2024). Three operational mechanisms anchor the SDG strategy: source separation, biodegradable waste composting, and EPR implementation. Sector-specific Government Decisions transpose particular EU directives: GD 212/2018 (WEEE), GD 561/2020 (packaging), GD 586/2020 (batteries), GD 610/2022 (used tyres), GD 731/2022 (used oils), GD 93/2023 (end-of-life vehicles). The structure mirrors the EU sectoral acquis, but local implementation capacity (addressed in Section 3.6) is limited. Funding comes from a relatively diverse but structurally smaller pool: EU4Environment and EU4Moldova programmes, EBRD blended financing with E5P co-financing, UNDP support via EU4Climate, and bilateral contributions from Sweden, Germany, and Romania. The arithmetic of available finance remains modest by Greek or Italian standards.

3.4.5 Comparative synthesis

The cross-country legislative picture yields three findings that are clear enough to carry analytical weight. First, legislative alignment with the EU framework is broadly a solved problem across the four cases (Domenech & Bahn-Walkowiak, 2019). Greece, Italy, and Serbia have each transposed Directive 2018/851 in their respective legal traditions; Moldova has aligned Law 209/2016 with Directive 2008/98/EC and is progressively aligning secondary legislation. Frameworks differ in maturity, density of secondary instruments, and digital traceability integration — but the basic shape is recognisable across all four. As Mazzanti, M., & Zoboli, R. (2006) note, the WFD has become an extraordinarily effective convergence instrument at the legal level. Where it has been markedly less effective is in producing convergent outcomes (Domenech & Bahn-Walkowiak, 2019).

The pace of recent reform also deserves attention. Each country has undertaken far-reaching legislative work in the 2021–2025 window: Greece's Law 4819/2021 with subsequent amendments; Italy's Decree 116/2020, Decree 196/2021, and ongoing updates; Serbia's 2023 amendments and 2025 framework reform; Moldova's 2023 Programme with sectoral decisions. The pace is, if anything, accelerating — driven by the 2018 EU package, the 2020 Action Plan, green-transition politics, and accession or association pressures. For practitioners this is exhausting; for analysts it complicates comparison; for citizens it raises the question of whether the regulatory edifice can settle long enough to be operationalised. The risk of legal hyperactivity outpacing administrative capacity is real (Bondarouk & Mastenbroek, 2018).

Third, funding architectures diverge sharply along the EU-member / candidate / Eastern-Partnership axis, with consequential effects (Bankwatch, 2025). Greece accesses Cohesion Fund support; Italy received the largest single RRF allocation. Serbia operates within IPA III plus EBRD/AFD lending. Moldova depends on EU4Environment, EU4Moldova, and donor-coordinated blended finance. These differences shape the project pipeline, available technical assistance, funding conditionalities, and the time required to move from plan to operational facility (Martínez-Jiménez et al., 2021). Greece's experience — generally abundant funding, weak conversion to performance — offers a sobering counterpoint to the assumption that finance is the binding constraint. For Serbia and Moldova, in different ways, finance is genuinely binding. For Greece, in most years, it is not. Table 3.1 summarises the legislative and funding frameworks.

Table 3.1 Legislative and funding frameworks for waste management: Greece, Italy, Serbia, Moldova.

Dimension	Greece	Italy	Serbia	Moldova
Framework law	Law 4819/2021 (FEK A' 129)	Legislative Decree 152/2006 (Codice dell'Ambiente), Part IV	Law on Waste Management OG 109/2025 (replaces 36/2009)	Law No. 209/2016 on Waste
Transposition of 2018/851	Direct in Law 4819/2021	Legislative Decree 116/2020	Amendments OG 35/2023; consolidated in OG 109/2025	Progressive via sectoral GDs (2018–2023)
National plan / programme	NWMP 2020–2030 (FEK A' 185/2020)	National Programme for Waste Management (PNGR)	Waste Management Programme 2022–2031 (OG 137/2022)	National Programme 2023–2027 (GD 972/2023)
MSW recycling target	55% by 2025; 60% by 2030; 65% by 2035	55% by 2025; 60% by 2030; 65% by 2035	Aligned with EU targets via 2025 Law	30% landfill reduction by 2027
Landfill ceiling target	≤10% MSW by 2030	≤10% MSW by 2035 (EU target)	Aligned with EU 2035 target	30% reduction by 2027 (relative)
EPR architecture	E.O.AN. + alternative management schemes	CONAI + 6 material consortia (since 1997)	Seven collective schemes (packaging EPR since 2009)	Established for packaging, WEEE, batteries, tyres, vehicles
Primary EU funding	ERDF + Cohesion Fund + RRF (~EUR 30.5bn)	ERDF + RRF (EUR 191.5bn total)	IPA III (EUR 1.46bn 2021–2027 all sectors)	EU4Environment, EU4Moldova, bilateral
Other major IFI support	EIB	EIB	EBRD, EIB, AFD	EBRD, E5P, World Bank

Source: Authors' compilation from national legislation, European Commission, EEA, World Bank, EBRD, and AFD documentation. As of early 2026.

3.5 Results: Infrastructure and Quantitative Performance

Numbers expose what statutes conceal. Whatever the elegance of national waste laws, what travels to landfill rather than to recycling determines whether SDG 12 is being met. Three indicators carry most of the comparative weight: municipal solid waste (MSW) generation per capita; recycling rate (with old and new EU methodologies clearly distinguished); and the share of MSW landfilled. Behind these numbers sit infrastructure stocks: material recovery facilities, mechanical-biological treatment (MBT) plants, anaerobic digestion and composting capacity, sanitary landfills, and waste-to-energy incinerators. On every dimension, the four countries differ.

3.5.1 Greece: Compliance on paper, performance on hold

Greek MSW generation, at 524 kg per capita in 2023, sits modestly above the EU-27 mean of 511 kg (Eurostat, 2024). Composition is fairly typical Mediterranean: high organics share (around 40%), sizeable paper and cardboard, growing plastics. Performance is the difficulty. Under the old recycling methodology, Greek MSW recycling stood at 21.0% in 2022; under the new harmonised rules applying from 2025, EEA's preliminary estimate is 17.4% — among the lowest in the Union and far short of the 55% binding target for 2025 (EEA, 2025b). Landfilling remains dominant. Approximately 78% of Greek MSW reaches landfill, against an EU-27 average of 23.5% (Eurostat, 2024). The 2030 national target of 10% landfilling, set five years ahead of the EU 2035 ceiling, is on no plausible trajectory to be met.

Infrastructure capacity tells part of the story. As of 2024, Greece operated 29 Material Recovery Facilities (MRFs) covering roughly 87% of the population, 5 mechanical-biological treatment (MBT) plants, and zero waste-to-energy incinerators (HSWMA, 2024; Hellenic Recycling Organisation, 2024). This MRF network is technically functional but produces high reject rates — typically 30–40% of input material is rejected as unsuitable for recycling, partly because source separation upstream is patchy. Biowaste separate collection, mandatory under Law 4819/2021, has been rolled out in only about 35% of municipalities by end-2024 (E.O.AN., 2024). Per capita recycling stood at roughly 90 kg in 2022, against an EU-27 average of 263 kg (Eurostat, 2024). Greece is largely recycling roughly one-third of what comparable EU economies recycle per inhabitant — despite spending considerable structural-fund resources on the system.

3.5.2 Italy: Mature system, strong outcomes, regional heterogeneity

Italian performance is among the EU's strongest. MSW generation in 2023 stood at 504 kg per capita, slightly below the EU-27 average (Eurostat, 2024). Under the new harmonised methodology, recycling reached 50.8% in 2023 — only 4.2 percentage points below the 2025 binding target (ISPRA, 2024). Packaging waste recycling stood at 75.6%, well above the EU average of 65.4% and ahead of all 2030 EU packaging targets (Eurostat, 2024). Landfilling sits at approximately 18%, on track to meet the 10% ceiling by 2035. Behind these averages lies marked regional heterogeneity. Northern regions (Trentino-Alto Adige, Veneto, Lombardy) routinely exceed 70% separate collection; southern regions (Sicily, Calabria) struggle below 50% (ISPRA, 2024). The national average reflects not uniform success but the weight of Italy's industrial north.

Italian infrastructure is mature and dense. As of 2023, Italy operated 658 sorting and recovery plants, 343 composting and anaerobic digestion plants, 41 MBT plants, and 37 waste-to-energy incinerators with energy recovery (ISPRA, 2024). The waste-to-energy fleet, concentrated in the north, processes approximately 5.4 million tonnes of MSW annually — a route Greece has politically chosen not to pursue. Italy's system also benefits from long-running CONAI infrastructure: as Section 3.4 noted, the producer-responsibility consortium framework dating from 1997 means that collection, sorting, and recycling for packaging streams operates under tested institutional arrangements rather than improvised ones (Massarutto, 2014). RRF investment under PNRR Mission 2 is now adding capacity at the margins, particularly in southern composting and MBT, narrowing the north-south gap (ISPRA, 2024).

3.5.3 Serbia: The implementation gap

Serbian data should be read with caution. Serbia's national statistics methodology has historically diverged from Eurostat conventions, and reported recycling rates have been challenged on definitional grounds. With that qualification, the picture is sobering. MSW generation in 2022 stood at approximately 386 kg per capita — below the EU-27 average, reflecting lower household consumption rather than waste-prevention policy (SEPA, 2023). Recycling rates are reported at around 16% by national authorities, though independent assessments place actual material recovery closer to 8–10% (World Bank, 2023). Landfilling, including a sizeable share at non-sanitary

disposal sites, accounts for approximately 79% of MSW (SEPA, 2023; World Bank, 2023). Serbia has roughly eight regulated sanitary landfills covering about 20–25% of the population, with the remainder served by 162 mostly non-compliant municipal disposal sites (Stanisavljević et al., 2018).

The infrastructure deficit is therefore the binding constraint. AFD-supported regional waste programmes have begun closing some of the most polluting non-sanitary landfills and replacing them with sanitary regional facilities; eight regional projects covering roughly one-third of Serbian municipalities are in various stages of design or construction (AFD, 2023). EPR coverage exists for packaging, WEEE, batteries, tyres, vehicles, and oils — seven collective schemes operate under the framework legacy from 2009 — but compliance, particularly for non-packaging streams, remains uneven (Bankwatch, 2025). A 2025 Law on Waste Management is intended to address this. Whether implementation can move faster than the recent trajectory is the open question.

3.5.4 Moldova: Building from limited foundations

Moldova's situation is structurally different. MSW generation is lower than EU peers — roughly 340 kg per capita according to national statistics, though urban-rural variation is large and rural collection coverage is frequently incomplete (National Bureau of Statistics of Moldova, 2024). Recycling rates remain low: under the National Programme 2023–2027 baseline, formal recycling stood at less than 5% of MSW, with disposal (much of it at unregulated sites) accounting for the dominant share. Approximately 95% of generated waste reaches landfill or open dump, making Moldova's landfilling intensity the highest among the four cases (UNDP, 2024).

Infrastructure foundations are at an early stage. Modern sanitary landfilling capacity is largely concentrated around Chișinău and a handful of larger cities. The National Programme 2023–2027 plans seven new sanitary landfills, 34 transfer stations, and two MBT facilities serving Chișinău and Bălți — a build-out programme financed through EBRD blended finance with E5P co-financing, EU4Environment grants, World Bank lending, and bilateral support from Sweden, Germany, and Romania (UNDP, 2024; EBRD, 2024). Source separation is in pilot phase in selected urban districts; biodegradable waste composting operates at small scale. EPR schemes for packaging, WEEE, batteries, tyres, oils, and end-of-life vehicles exist on paper through Government Decisions, but operational implementation is partial. Infrastructure trajectory matters more than the current snapshot. Whether the 2027 milestones — 30% landfill reduction, sanitary landfill coverage of

Table 3.2 Quantitative waste-management performance indicators, latest available data (2022–2023).

Indicator	Greece	Italy	Serbia	Moldova
MSW generation (kg/capita, 2023)	524	504	~386 (2022)	~340
MSW recycling rate, new EU methodology	17.4%	50.8%	~8–10%	<5%
MSW landfilled (% of generated)	~78%	~18%	~79%	~95%
Packaging waste recycling rate (2023)	~63%	75.6%	Limited data	Limited data
Material Recovery Facilities	29	658 sorting plants	Limited	Pilot scale
MBT plants	5	41	Few	2 planned (Chișinău, Bălți)
Waste-to-energy incinerators	0	37	0 major	0
Sanitary landfill coverage	Largely complete	Complete	~20–25%	Partial (urban centers)

Sources: Eurostat (env_wasmun, env_waspac, 2024 release); EEA (2025b); ISPRA (2024); SEPA (2023); World Bank (2023); UNDP (2024); national authority data. Recycling rates for Serbia and Moldova use national methodologies; figures are not directly comparable to EU harmonised rates.

major urban centres, MBT operational in Chișinău and Bălți — are met will determine whether Moldova converges with EU patterns or remains structurally behind (Plotnic, 2024a).

3.5.5 Cross-country comparison

Table 3.2 collects the headline indicators on a comparable basis. The comparison points to three findings that hold across the data. First, MSW generation per capita is broadly correlated with national income; Italy and Greece generate more, Serbia and Moldova less, but the spread among EU members is wide and reflects consumption patterns more than policy ambition. Second, recycling performance correlates poorly with statutory ambition: all four countries have aligned legal frameworks, yet outcomes range from Italy's 50.8% to Moldova's near-5%. Third, landfilling intensity tracks infrastructure maturity rather than legal commitment. Italy's 18% reflects three decades of CONAI-led capacity building; Greece's 78% reflects a slow build-out despite available finance; Serbia's 79% reflects implementation lag; Moldova's 95%

reflects a system being built almost from scratch. Each case is at a different point on the same trajectory — and the policy levers that work at one stage may not transfer to another.

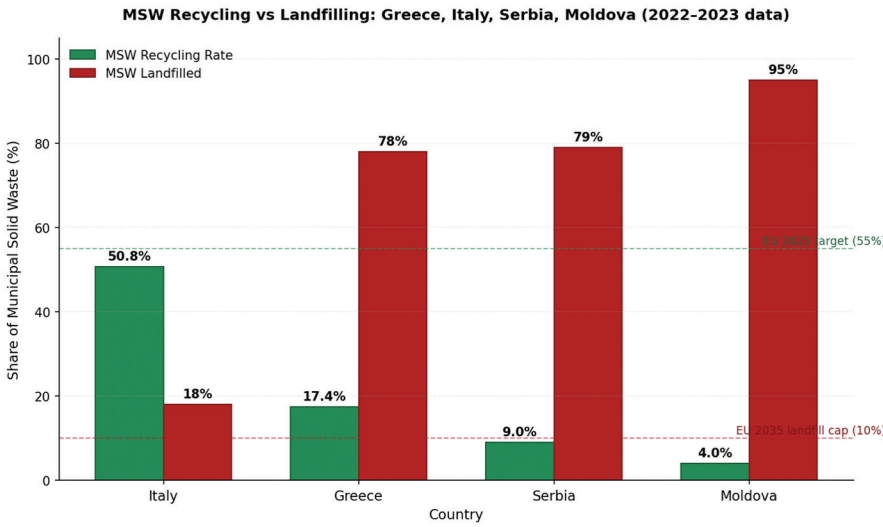

Figure 3.2 Municipal Solid Waste recycling versus landfilling shares across Greece, Italy, Serbia, and Moldova (latest available data, 2022–2023). Reference lines indicate the EU 2025 recycling target (55%) and 2035 landfill ceiling (10%). Sources: Eurostat (2024), EEA (2025b), ISPRA (2024), World Bank (2023), UNDP (2024).

3.6 Results: Local Government Organizations and Implementation Capacity

Statutes are written at national level. Waste, however, is collected at the curb. Local Government Organizations (LGOs) — municipalities, regions, and the inter-municipal bodies that pool their resources — are where SDG 12 either succeeds or fails as an operational matter (Mitoula et al., 2024). Across our four countries, LGOs operate under markedly different administrative traditions, fiscal capacities, and statutory mandates. The variation matters because it explains, in part, why identical EU obligations produce divergent outcomes.

3.6.1 Greece: Municipalities under pressure

Greek waste management is decentralised in name, fragmented in practice. Article 102 of the Constitution and Law 3852/2010 (Kallikratis Programme)

place primary responsibility for collection, transport, and disposal on the 332 primary-level municipalities. A second tier of regional authorities (FoDSAs — Regional Solidarity Waste Management Bodies) handles inter-municipal infrastructure such as MBT plants and sanitary landfills. The Kallikratis reform consolidated 1,034 pre-2010 municipalities into 325 (now 332), reducing fragmentation but leaving many municipalities below the population threshold at which separate collection becomes economically viable (Hellenic Ministry of Interior, 2024). Local Waste Management Plans (LWMPs), mandated under Article 228 of Law 4555/2018, must align with regional PESDA plans and the national NWMP — a three-tier vertical hierarchy that is, on paper, coherent.

In practice, Greek municipalities face severe capacity constraints. Average per-capita municipal revenue is among the lowest in the EU; the Central Autonomous Funds transfer, intended to fund local services including waste management, has been periodically reduced in real terms since 2010 (Council of Europe, 2022). Cleaning fees on property tax bills (Δημοτικά Τέλη Καθαριότητας) generate uneven revenue across regions, with wealthier municipalities collecting more per resident than poorer ones — a regressive feature that compounds territorial disparities. Technical staff are scarce; many municipalities operate without a dedicated environmental engineer or waste planner. The result is a system where formal compliance with statutory planning is routinely high, while operational performance — measured by separate-collection rates, MRF reject rates, biowaste programme rollout — lags far behind plan ambitions (E.O.AN., 2024).

3.6.2 Italy: Capable Local Government, strong inter-municipal tradition

Italian LGOs operate within a different institutional logic. The country has 7,901 comuni, ranging from large urban centers to villages of fewer than 100 inhabitants (ISTAT, 2024). Legislative Decree 152/2006 organises waste management at the level of the Ottimale Territoriale (OTA) (typically corresponding to a province or sub-regional area) under which inter-municipal bodies plan and procure services. The OTA logic enables small municipalities to pool resources without losing identity. Comparative experience suggests this model has been broadly effective, though regional implementation has been uneven (Massarutto, 2014).

Italian municipal capacity is generally stronger than in Greece, with formal qualifications and continuity of staff at higher levels. Local taxation arrangements, particularly the TARI (Tariffa Rifiuti) — a waste-specific user

charge replacing earlier property-tax mechanisms — generate dedicated revenue for waste services. Critical to the Italian model is the role of in-house and mixed public-private operators (utilities such as A2A, Hera, Iren, and Acea) that aggregate scale and technical capacity beyond what individual comuni could mobilise (Hartley et al., 2020). These utilities, often listed and partially privatised, bring access to capital markets and managerial expertise that smaller LGOs alone could not maintain (Zamfir et al., 2025). The northern regions, where this model is most developed, account for the bulk of Italian recycling performance.

3.6.3 Serbia: Limited municipal capacity, regional consolidation underway

Serbia has 145 municipalities (opštine) and 29 cities (gradovi), administered under the 2007 Law on Local Self-Government (Official Gazette No. 129/2007). Constitutional Article 188 grants municipalities original competences in environmental protection and communal services including waste collection. Implementation has been hampered by limited fiscal capacity, with most municipalities relying heavily on transfers from the central budget; own-source revenues are generally insufficient to fund modern waste infrastructure (OECD/SIGMA. (2023)). Regional waste management (sanitary landfilling, transfer stations, MBT) operates through inter-municipal regional centers, of which roughly 26 have been planned, though only about half are fully operational (Stanisavljević et al., 2018).

The 2025 Law on Waste Management (OG 109/2025) tightens municipal obligations on EPR coordination, separate collection, and reporting (Serbian Ministry of Environmental Protection, 2025; Milošević et al., 2025a). Whether municipalities have the technical capacity to meet these tightened obligations is the binding question. AFD-supported regional projects, ongoing across roughly one-third of the country, have included municipal capacity-building components alongside infrastructure investment (AFD, 2023). The trajectory is positive but slow. Serbia's recycling performance is unlikely to converge with EU averages within the decade.

3.6.4 Moldova: Building capacity from a low base

Moldova's territorial organisation is the most fragmented in our sample. Approximately 898 first-level local public administrations (LPAs) (primarily small rural communes) operate alongside 35 districts (raioane) and the autonomous territorial unit of Gagauzia (National Bureau of Statistics of Moldova,

2024). Most LPAs have populations below 5,000, making independent waste-service provision economically impossible. Law No. 209/2016 on Waste, supplemented by the 2003 Law on Local Public Administration, allocates collection responsibility to LPAs but but enables — indeed requires — inter-municipal cooperation for treatment and disposal infrastructure. The 2023–2027 National Programme operationalises this through eight planned waste management regions, each centerd on a sanitary landfill and a network of transfer stations (Government of the Republic of Moldova, 2023; UNDP, 2024).

Capacity is the binding constraint at every level. Most rural LPAs operate without dedicated waste staff; many lack functioning collection vehicles. EU4Environment, EU4Moldova, EBRD, and bilateral donors are funding both infrastructure and the institutional architecture that must operate it — a parallel build-out that takes time. Recent legal analysis argues that the misalignment between fragmented LPA structure and the regional infrastructure logic of the National Programme remains the central governance challenge for Moldovan waste management (Plotnic, 2024a).

3.6.5 Cross-country synthesis

Comparison across the four cases surfaces three patterns that cut across administrative traditions. First, the structural gap between national waste policy and local implementation is universal but expresses itself differently in each context. Italy bridges the gap through OTA-level inter-municipal organisation and capable utilities; Greece's three-tier system is formally coherent but undermined by municipal fiscal weakness; Serbia is mid-transition; Moldova is at the start of the journey. Second, fiscal capacity correlates more strongly with operational performance than statutory authority does. Third, scale matters. Where average municipality size is small and regional aggregation is weak (Greece, Moldova), implementation is uneven. Where regional aggregation is strong (Italy's OTAs, Serbia's regional centers where they operate), outcomes improve. The lesson for SDG 12 implementation is that decentralisation without capacity-building is, in practice, decentralisation without delivery. Table 3.3 summarises the comparative governance and capacity picture across the four cases.

3.7 Results: Citizen Participation and Behavioural Mechanisms

Waste systems work only if citizens cooperate. Source separation, biowaste composting, repair, and reuse all depend on routine household behaviour.

Table 3.3 Evidence matrix: country performance across five analytical dimensions. Confidence ratings: HIGH (3+ independent sources, harmonised data); MEDIUM (2 sources, some methodological heterogeneity); LOW (1 source, national methodology, interpret with caution).

Dimension	Greece (HIGH conf.)	Italy (HIGH conf.)	Serbia (MEDIUM conf.)	Moldova (LOW conf.)
Legislative framework	Transposed (Law 4819/2021); frequent amendments; ambitious targets	Mature (D.Lgs. 152/2006 + Decree 116/2020); digital traceability (RENTRi)	New framework (OG 109/2025); prior law 36/2009 amended multiple times	Transposed (Law 209/2016); sectoral GDs aligned with EU acquis
MSW recycling rate	17.4% (new EU methodology); far below 55% target	50.8%; close to 55% target; packaging 75.6%	~8–10% (national method); ~79% landfill	<5% (national figures); ~95% landfill
EPR maturity (P1)	Weak–moderate: E.O.AN. reorganised; eco-modulation partial	Strong: CONAI since 1997; 6 material consortia; eco-modulated fees	Moderate: 7 collective schemes since 2009; compliance uneven	Weak: sectoral EPR schemes exist on paper; operational implementation partial
Inter-municipal aggregation (P2)	FoDSAs exist but politically contested; coverage partial	OTA system strong in north; weaker in south; large utilities scale-up	~13 of 26 planned regional centers operational	8 regions planned; infrastructure build-out underway via EBRD/UNDP
Behavioural embedding (P3)	High declared willingness; low routine practice; PAYT pilots only	Strong in north (>75% sep. collection); moderate-weak in south	Infrastructure-limited; participation where bins provided	Pilot-phase only; urban-rural divide significant
Key primary sources	Eurostat, EEA, E.O.AN. (2024), HSWMA (2024), Council of Europe (2022)	Eurostat, EEA, ISPRA (2024, 2025), Italian MoEF (2021), Normattiva	SEPA (2023), World Bank (2023), Bankwatch (2025), AFD (2023)	NBS Moldova (2024), UNDP (2024), EBRD (2024), Plotnic (2024a)

Source: Authors' synthesis. P1 = EPR maturity; P2 = inter-municipal aggregation; P3 = behavioural embedding. Where sources diverged, harmonised Eurostat and EEA data were prioritised for EU member states; national authority data were used for Serbia and Moldova where harmonised EU datasets were unavailable or methodologically non-comparable. Confidence ratings are assigned at country-case level (not per-indicator): HIGH = 3+ independent institutional sources with harmonised methodology; MEDIUM = 2 sources with partial methodological heterogeneity; LOW = 1 source or national methodology incomparable with EU harmonised data. 'National method' data (Serbia, Moldova) not directly comparable to EU harmonised recycling rates. All figures as of latest available data, end-2025 / early-2026.

The most ambitious infrastructure produces poor outcomes if material arrives at the MRF mixed and contaminated. Citizen engagement is therefore not a soft adjunct to waste policy but its operational core (Schaffrin et al., 2015; Reichenbach, 2008). Across our four countries, citizen participation mechanisms differ in design, in funding, and (most consequentially) in cultural context.

3.7.1 Greece: Patchy engagement despite formal mandates

Greek citizens face a separate-collection system that is inconsistent across municipalities and chronically under-communicated. Law 4819/2021 mandates municipal awareness campaigns, but funding and execution vary enormously. National-level surveys conducted by the Hellenic Recycling Organisation indicate that while declared willingness to recycle is high — typically above 70% — practical participation in source separation rarely exceeds 40% in well-served urban areas and falls below 20% in rural districts (E.O.AN., 2024). Pay-As-You-Throw (PAYT) schemes have been piloted in only a handful of municipalities (Elefsina, Vari-Voula-Vouliagmeni, Ioannina). National rollout is far behind plan. Civil society engagement on waste issues exists but is concentrated in a few NGO networks (Ecological Recycling Society, Mediterranean SOS) rather than embedded in municipal programmes. The cultural perception of waste services as a public good provided 'top down' by municipalities, rather than as a shared civic responsibility, persists.

3.7.2 Italy: Behavioural embedding through decades of practice

Italy's citizen participation is the strongest in our sample, the product of three decades of consistent practice. Northern regions in particular have institutionalised separate-collection routines through tariff structures (TARI variants with PAYT components in many cities), school-level environmental education curricula, and high-visibility municipal communication. Trentino-Alto Adige reaches separate-collection rates above 75% (ISPRA, 2024); Brescia, Treviso, and other northern provinces routinely exceed 80%. Behavioural change at this scale is generational. Mazzanti & Zoboli (2006) note that Italian citizens born after the 1997 Ronchi Decree have grown up with separate collection as a normal feature of household life, in much the same way that Northern Europeans consider it routine. Reuse markets and adaptive reuse infrastructure also play a meaningful supporting role (Mitoula et al., 2017). Southern regions lag, partly because the institutional framework

arrived later and the behavioural reinforcement is shorter; closing this gap is the central operational challenge for Italian SDG 12 performance.

3.7.3 Serbia: Awareness without infrastructure

Serbian citizens often demonstrate awareness of recycling without practical means to act on it. Public surveys consistently show concern about pollution and willingness to participate in separate collection where the infrastructure is provided (UNDP Serbia, 2023). Implementation, however, lags. Where separate collection bins exist — typically in central Belgrade, Novi Sad, and a few other major cities — participation is moderate to high. Most municipalities, however, lack systematic separate collection altogether. Citizen-level engagement under these conditions is necessarily limited; the relevant policy lever is infrastructure provision rather than behavioural campaigns. EPR-funded packaging collection points are slowly expanding but remain inadequate to national needs (Bankwatch, 2025).

3.7.4 Moldova: Pilot-phase engagement

Moldovan citizen participation operates almost entirely at pilot scale. Source-separation programmes exist in selected Chișinău neighbourhoods and a handful of donor-supported pilot communes. UNDP and EU4Environment have funded behavioural-change campaigns alongside infrastructure investment, recognising that the two must develop in parallel (UNDP, 2024). Civil society engagement is led by a small number of environmental NGOs (notably Ecological Counselling Center Cahul, EcoVisio). The behavioural challenge in Moldova is not resistance — surveys show consistent public support for environmental improvement — but the absence of routine infrastructure that makes participation possible (Plotnic, 2024a).

3.7.5 Comparative implications

Citizen behaviour is a function of opportunity, information, and habit — in roughly that order. Where infrastructure exists, information is provided, and routine forms over time, participation rates approach the ceiling that demographics allow. Where any of the three is missing, participation falters. The Italian case shows what is achievable with multi-decade consistency. The Greek case shows that information without infrastructure produces frustration, not behaviour change. The Serbian and Moldovan cases show that absent infrastructure makes behavioural campaigns largely symbolic.

For SDG 12 implementation, the sequence matters: build the infrastructure, communicate consistently, and allow time for habits to form. Skipping steps tends to fail.

3.8 Discussion and Cross-Country Synthesis

The comparative analysis surfaces a central paradox. Legal frameworks across the four cases are broadly aligned. Financing is available to all — admittedly at very different scales. Citizens in each country express high declared support for sustainability objectives. Yet outcomes differ substantially across the four cases (Cifuentes-Faura, 2025). Greece's 17.4% recycling rate sits sits at barely a third of Italy's 50.8%; Moldova's near-zero recycling sits several percentage points below Serbia's 8–10%. The convergence at the level of statute coexists with sharp divergence at the level of performance (Domenech & Bahn-Walkowiak, 2019). Understanding why is the central contribution comparative analysis can make to SDG 12 scholarship.

3.8.1 Factors associated with stronger performance

Three variables emerge as systematically associated with stronger performance, drawing on the patterns developed across Sections 3.4 to 3.7. First, the maturity of producer-responsibility infrastructure. Italy's CONAI consortium predates the 2018 EU package by two decades; Serbia's collective EPR schemes have been operational since 2009 but with patchy coverage; Greek E.O.AN. has been repeatedly reorganised; Moldovan EPR is largely on paper. The pattern is unambiguous: long-running, well-capitalised EPR institutions outperform recently established or under-resourced ones (Knill & Liefferink, 2007; Massarutto, 2014). Regional aggregation among municipalities is the second variable. Italian OTAs, Serbian regional centers where they operate, and Moldovan planned regional structures show that scale aggregation is necessary for modern waste management. Greek FoDSAs, while structurally similar, have been politically contested and operationally underperforming (Council of Europe, 2022). Third, the depth of behavioural embedding. Italy's three decades of consistent practice produces behavioural defaults that lower-income economies cannot replicate quickly.

What does NOT appear to drive performance (at least not on its own) is access to finance. Greece is the cautionary case. The country has accessed sizeable Cohesion Policy funding across multiple programming periods, and its NRRP allocations for waste are sizeable. Yet performance remains the worst in our EU sample. The lesson is that finance is necessary but not

sufficient; absorptive capacity, project pipeline maturity, and implementation governance matter at least as much (Bankwatch, 2025).

Other variables also differ across the four cases and could plausibly explain part of the variance: GDP per capita ranges roughly from USD 5,700 (Moldova) to USD 36,000 (Italy); urbanisation rates vary from approximately 43% (Moldova) to 71% (Italy); population density differs by an order of magnitude across the four countries; and waste-stream composition reflects climate, dietary, and consumption-pattern differences. We considered whether the EPR / aggregation / behaviour triad merely correlates with these structural variables rather than independently driving performance. Two observations argue against the structural-confounding interpretation (cf. Milošević et al., 2025b). First, Greece (comparable to Italy on GDP per capita and urbanisation) performs dramatically worse, indicating that structural variables alone do not determine outcomes. Second, the within-country variance in Italy (north 75%+ separate collection, south below 50%) holds GDP, density, and climate broadly constant while EPR maturity and the depth of municipal aggregation vary, again favouring the institutional-causal account over the structural one. We do not claim to have ruled out structural variables comprehensively; a fuller treatment would require quantitative analysis beyond the present scope. We claim, more modestly, that structural variables cannot account for the variance pattern observed and that the institutional triad we identify offers a plausible and policy-relevant explanation.

3.8.2 Lessons that may transfer

Some lessons are likely to transfer across contexts. Well-capitalised, operationally independent EPR institutions appear to deliver outcomes wherever deployed (Massarutto, 2014). Inter-municipal aggregation produces operational efficiency at any scale. Predictable, dedicated funding (as in Italian TARI) outperforms variable property-tax derivatives (as in Greek cleaning fees). Source-separation infrastructure must precede behavioural campaigns, not follow them. These lessons are not country-specific.

Other lessons are highly context-dependent. Italian success rests on specific institutional features — strong regional government, capable utilities, deep civil society — that cannot be transplanted wholesale to Moldova. Serbia's IPA-financed regional projects work in part because of accession conditionality that does not apply to Moldova. Greek struggles reflect specific Greek dysfunctions in municipal finance and project management that other countries do not share. The honest analytical conclusion is that EU

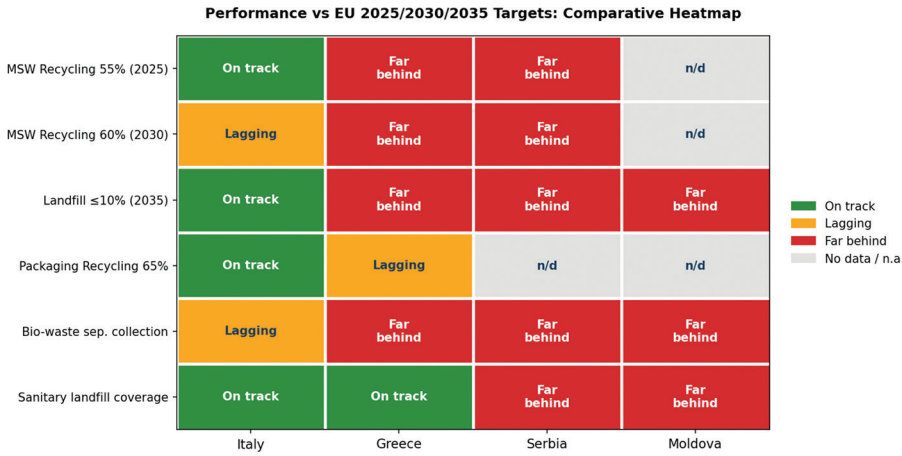

Figure 3.3 Comparative performance heatmap: country positions against six binding EU 2025/2030/2035 targets. Italy is broadly on track for most targets but lags on bio-waste collection. Greece misses most targets despite full legislative alignment and abundant funding. Serbia and Moldova show systematic deficits, with the binding constraint being infrastructure rather than statutory framework. Sources: Authors' assessment based on Eurostat (2024), EEA (2025b), ISPRA (2024), Bankwatch (2025), UNDP (2024).

policy convergence has limits: legal alignment is achievable, infrastructure transfer is conditional, and behavioural change is largely endogenous.

3.8.3 Toward a performance typology

Figure 3.3 summarises the comparative position of the four countries against the binding 2025 and 2030 EU targets. The heatmap visualisation highlights that performance gaps are not uniform: Italy is broadly on track for most targets but lags on bio-waste separate collection; Greece misses most targets (EEA, 2025b); Serbia and Moldova, operating on national methodologies, are not directly comparable but both show sizeable implementation deficits (Bankwatch, 2025; UNDP, 2024). The typology that emerges has three categories. Mature performers (Italy) need targeted closure of remaining gaps, particularly between northern and southern regions (ISPRA, 2024). Lagging members (Greece) need fundamental reform of municipal capacity and project delivery; the binding constraint is governance, not finance. Catching-up systems (Serbia, Moldova) need infrastructure, financing, and time — in roughly equal measure. Each category demands a different policy response (Hartley et al., 2020). Section 3.9 develops these recommendations.

3.8.4 Robustness check: Propositions against cases

We now test the three propositions of Section 3.2.6 explicitly against the four cases. Proposition 1 — EPR maturity drives outcomes — is supported by Italy (CONAI since 1997, six material consortia, strong outcomes), corroborated by the Italian within-country pattern (north stronger CONAI integration, north stronger outcomes), and the negative case Moldova (EPR partly on paper, weak outcomes). The proposition fits Greece imperfectly: E.O.AN. has been operational since 2011 and has experienced repeated reorganisations, suggesting that mere statutory existence is insufficient; institutional stability and capitalisation are the operative variables, as Massarutto (2014) anticipated. P1 holds, with refinement. Proposition 2 — inter-municipal aggregation drives outcomes — is supported strongly by Italy's OTA system and the contrast between Italian regions where regional waste governance is consolidated versus those where it remains fragmented. Greece's FoDSAs, structurally similar to Italian regional bodies but politically contested, show that aggregation requires governance stability to deliver (Council of Europe, 2022). Serbia's regional waste management centers, where operational, support P2; where they remain at planning stage, they cannot. Moldova's eight planned regions test P2 prospectively. P2 holds, conditional on governance quality. Proposition 3 — behavioural embedding drives outcomes — is supported by Italy (three-decade reinforcement, generational normalisation), unsupported in Moldova (insufficient institutional history to test), and partly supported in Greece, where stated willingness to participate is high but routine practice is weak — pointing toward the infrastructure–information–habit sequence we develop in Section 3.7.

Two cases warrant explicit caution. The within-Italy variance — north strong, south weak — is consistent with all three propositions but also with the GDP and density-related structural variables we discussed earlier in this section. We cannot fully separate institutional from structural causes within Italy on the present evidence base. Greece is the most analytically interesting case: it has formal institutions (E.O.AN., FoDSAs) and substantial finance, yet performance is poor. The combination of weak P1 (institutional instability), weak P2 (politically contested aggregation), and weak P3 (information without infrastructure preventing habit formation) jointly explains the Greek outcome better than any single variable. This is the kind of multi-factor convergence that comparative qualitative analysis is designed to surface. We do not claim the three propositions exhaust the causal field — alternative or complementary frameworks (advocacy coalitions, multi-level governance dynamics, EU compliance literature) could yield further insights. We claim,

more modestly, that the three-proposition framework is consistent with the four cases, identifies plausible policy levers, and survives the alternative-explanation tests of Section 3.8.1.

3.9 Policy Recommendations and Individual Actions

Comparative analysis is most valuable when it produces actionable recommendations, differentiated by context. The four countries occupy different positions on the SDG 12 trajectory, and uniform recommendations would be inappropriate. This section therefore proposes country-differentiated policy recommendations and a framework for individual action that the original conference paper had developed for the Greek case (Papavasileiou et al., 2024) but which deserves recasting across the four-country comparison.

Each country-specific recommendation below is derived from a specific finding established in Sections 3.4 to 3.8. We make the analytical warrant explicit: Recommendation R follows from Finding F because evidence E from cases C supports the diagnosis. For Greece, the binding finding is institutional instability and weak municipal capacity (Sections 3.6.1 and 3.8.4); recommendations therefore target these institutional levers, not finance. For Italy, the binding finding is regional heterogeneity within an otherwise mature system (Sections 3.5.2 and 3.7.2); recommendations target gap-closing investment, not system rebuild. For Serbia, the binding finding is implementation lag against a recently strengthened framework (Sections 3.4.3, 3.5.3, 3.6.3); recommendations target infrastructure roll-out and EPR strengthening. For Moldova, the binding finding is the build-from-scratch challenge under fragmented LPA structure (Sections 3.4.4, 3.5.4, 3.6.4); recommendations target the National Programme execution and the cross-municipal pooling that small LPAs require. Transferability across cases is constrained: not every Italian lesson transfers to Moldova, and we acknowledge these limits where they apply.

3.9.1 Country-differentiated policy recommendations

For Greece, the binding constraint is municipal capacity and project delivery, not legal framework or finance (Council of Europe, 2022; E.O.AN., 2024). Three recommendations follow. First, dedicated technical assistance to small and medium-sized municipalities should be expanded substantially — through E.O.AN., regional governments, or a new dedicated unit — to ensure that statutory obligations on biowaste collection, PAYT pilots, and LWMP implementation become operational realities rather than paper plans. Second,

FoDSAs should be reformed to clarify governance, establish predictable funding, and depoliticise operational decisions. Third, the cleaning fee mechanism (Δημοτικά Τέλη) should be reformed to include explicit PAYT components, mirroring Italian TARI rather than continuing as a flat property-tax surcharge (Reichenbach, 2008).

For Italy, the policy frontier has shifted from establishing the system to closing remaining gaps. The north-south performance differential is the central operational challenge (ISPRA, 2024). Recommendations focus on accelerating southern infrastructure investment under PNRR Mission 2, strengthening municipal capacity in Sicily, Calabria, and Campania, and using RENTRi digital traceability to enforce uniform compliance across regions. Italy's circular economy agenda is also moving upstream — toward design-for-recycling, EPR for textiles, and reuse infrastructure — and this trajectory should be accelerated through dedicated CONAI investments (Hartley et al., 2020; Zamfir et al., 2025).

For Serbia, the implementation phase of the 2025 Law on Waste Management is the immediate priority. Three recommendations follow. First, the network of regional waste management centers should be completed, with eight to ten additional centers operational by 2030 to extend sanitary landfill coverage from the current 20–25% toward universal coverage. Second, the EPR architecture established in 2009 should be strengthened with dedicated regulatory oversight to ensure compliance, particularly for non-packaging waste streams (Bankwatch, 2025). Third, IPA III funding combined with EBRD/AFD lending should be channelled toward both infrastructure and the municipal capacity-building that must accompany it.

For Moldova, the National Programme 2023–2027 milestones are the binding test (Moldovan Government, 2023). Recommendations center on protecting the donor-funded infrastructure pipeline from political volatility, completing the seven planned sanitary landfills and 34 transfer stations on schedule, operationalising MBT plants in Chișinău and Bălți, and using the inter-municipal cooperation framework to overcome the fragmentation challenge inherent in 898 small LPAs (UNDP, 2024). Donor coordination — between EU instruments, EBRD, World Bank, and bilateral programmes — must continue to avoid the parallel-financing fragmentation that has slowed implementation in some Western Balkans contexts (Plotnic, 2024a).

3.9.2 Individual action framework

Beyond government and institutions, individual citizens can — through their daily choices — accelerate or impede SDG 12 outcomes (Reichenbach,

2008). The conference paper that anchors this work proposed ten action areas for Greek citizens (Papavasileiou et al., 2024). We adapt that framework here for cross-country application, with two methodological caveats. First, the original framework was developed inductively from the Greek context and reflects the institutional and infrastructural assumptions of an EU-member state with mature urban services. Second, transferability across our four cases is therefore conditional rather than automatic: some actions (such as second-hand and reuse-market participation) presuppose urban infrastructure and consumer markets that are present in Italy and most of Greece but partial in Serbia and limited in rural Moldova. We position the framework relative to comparable individual-action listings in the European waste policy literature (Hartley et al., 2020) and note that our ten actions broadly correspond to the citizen-level priorities those analyses identify, with two distinctive features: explicit linkage to LGO infrastructure provision (so that individual actions are not framed as substitutes for institutional capacity) and explicit accommodation of cross-context applicability through the priority weighting we develop in the following paragraph.

The action areas are: (i) source separation participation where infrastructure exists; (ii) home composting of biodegradable waste, especially valuable in countries where municipal biowaste collection is incomplete; (iii) waste auditing — measuring household waste over a representative period to identify reduction opportunities; (iv) sustainable purchasing, prioritising products with minimal packaging, recyclable materials, and end-of-life take-back; (v) reduction of single-use plastics and disposables, particularly in food service contexts; (vi) participation in second-hand and reuse markets — clothing, electronics, furniture — which directly extend product lifespans; (vii) support for local farmers through short food chains, reducing transport-associated waste; (viii) elimination of plastic bag use, replaced by reusable alternatives; (ix) reduction of bottled water consumption where tap water is safe; (x) reduction of paper use in domestic and professional contexts.

These actions matter more in some contexts than others, and not every action transfers cleanly across our four cases. In Italy, where infrastructure is strong, sustainable purchasing and reuse markets carry more relative weight than in Moldova, where source separation participation when bins arrive is the priority action (Mitoula et al., 2017). In Greece, where infrastructure is patchy, home composting can fill a gap that municipal biowaste collection has not yet reached. In Serbia, where infrastructure is mid-development, individual support for emerging EPR-funded collection systems accelerates institutional consolidation. Some actions transfer poorly: organised second-hand markets (action vi) presume the urban-consumer infrastructure

that is largely absent in rural Moldova, where reuse practices remain informal and non-monetised; the action remains valid in principle but operates under different sociological logic. The framework is universal in its conceptual structure; its application is local, and the priority weighting must follow the institutional and behavioural conditions of each context.

3.10 Conclusion

This chapter has compared SDG 12 implementation across Greece, Italy, Serbia, and Moldova — a sample following a most-different-systems design, spanning a long-standing EU member with mature performance, an EU member struggling to convert legal compliance into outcomes, an EU candidate, and an Eastern Partnership country. The four-country comparison highlights cross-case patterns that are less visible in single-country studies. Legal alignment with EU frameworks appears broadly achievable, but the four cases show that outcome convergence remains limited. Italy's mature performance shows what three decades of consistent EPR development, capable inter-municipal organisation, and behavioural embedding can deliver. Greece illustrates the difficulty of converting abundant funding and recent legislative reform into operational outcomes when municipal capacity is weak. Serbia's 2025 framework reform represents a meaningful step but faces the same implementation gap, with a different binding constraint — infrastructure, not governance. Moldova's 2023–2027 National Programme (Plotnic, 2024b) is at the start of a build-out that will determine whether the country converges with EU patterns or remains structurally behind. The comparison yields implications for SDG 12 scholarship and policy that are worth stating plainly. First, comparative analysis across different stages of European integration is more useful than comparison among similar cases; the variance reveals what convergence and divergence look like under common policy frameworks (Domenech & Bahn-Walkowiak, 2019). Second, finance is necessary but not sufficient — the Greek experience demonstrates that absorptive capacity, governance, and project pipeline maturity matter at least as much (Cifuentes-Faura, 2025; Bankwatch, 2025). Third, EPR institutional architecture, regional aggregation among municipalities, and citizen behavioural embedding are the three variables most strongly associated with performance. Strengthening these is where comparative learning has most to offer. Future research should extend the comparison through primary fieldwork at municipal level, particularly in Serbia and Moldova where comparable quantitative data is incomplete. The textile waste stream — recently added to mandatory separate-collection requirements — deserves dedicated comparative analysis. And the transition

from waste management toward upstream circular economy redesign, foreshadowed in the 2020 Action Plan and implemented through the Ecodesign Regulation and Right to Repair Directive, will reshape the comparative picture in ways the present analysis can only sketch. On current evidence, the waste-management dimensions of SDG 12 are unlikely to be fully achieved by 2030 across the four cases. Whether progress accelerates sharply enough to make 2035 targets meaningful is the question that frames the next phase of European waste policy.

Author Contributions

Conceptualization, A.P., O.P., I.M., M.M., A.E., and R.M.; Methodology, A.P. and A.E.; Data curation, A.P. (Greece), O.P. (Moldova), I.M. (Serbia), M.M. (Italy); Formal analysis, A.P., A.E., O.P., I.M., and M.M.; Investigation, A.P., O.P., I.M., and M.M.; Writing — original draft preparation, A.P.; Writing — review and editing, A.P., O.P., I.M., M.M., A.E., and R.M.; Visualization, A.P.; Supervision, R.M.; Project administration, A.P. All authors have read and agreed to the published version of the manuscript.

Data Availability Statement

The data supporting the findings of this study are available from publicly accessible institutional sources: Eurostat databases (env_wasmun, env_waspac, sdg_12_50 series), accessible at https://ec.europa.eu/eurostat/data/database; European Environment Agency country profiles, accessible at https://www.eea.europa.eu; national authority reports as cited in the References section. No new empirical datasets were generated by the authors. All secondary data sources are cited in full in the References. All figures in this chapter were produced using Python 3 with the Matplotlib library (version 3.x), based on the publicly available data sources cited in the References. No AI image-generation tools were used to create any figure.

Declaration of Generative AI and AI-Assisted Technologies in the Writing Process

During the preparation of this manuscript, the authors used Claude (Anthropic) for language refinement, readability improvement, structural consistency checking, and pre-submission editorial review. The tool was used to improve the presentation of the research rather than to generate substantive research content. All primary research decisions, analytical judgments,

development of the comparative framework, formulation of the propositions tested in Section 3.2.6, interpretation of findings, and policy conclusions are entirely those of the authors. The authors reviewed and edited all AI-assisted output and take full responsibility for the content, accuracy, completeness, and integrity of the final manuscript. AI tools were not used as authors and are not listed as authors.

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4

Policies for Achieving Circular Economy Goals in Urban Environments: Case Studies in Greece

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Abstract

The survey refers to the European Union's policies and guidelines for tackling environmental challenges by achieving circular-economy objectives, specifically in urban environments, while considering Sustainable Development objectives. The research then focuses on the national-level policies and key directions proposed in Greece to achieve circular economy goals in urban environments. It focuses mainly on the Municipality of Nea Smyrni, which has undertaken substantial efforts in this direction. Specifically, it examines the strategies developed to promote the circular economy across waste management, the reuse of natural resources, and public information and awareness. To conduct this in-situ research, personal interviews with the Municipality's technical service and statistical data were used. Finally, the adopted policies are evaluated, and new measures are proposed to further strengthen the circular economy and the sustainable development of the urban environment.

4.1 Introduction

Recently, the European Union (EU) has committed to tackling the climate crisis by issuing directives and guidelines to protect natural resources as part of

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the transition to a circular economy. Within this context, the EU has extensively revised its waste management framework. Specifically, updates were made to Directives (EU) 2018/851 (OJEU, 2018) (waste framework), 2018/852 (packaging) (OJEU, 2018a), 2018/850 (landfill) (OJEU, 2018b), 2018/849 (WEEE) (OJEU, 2018d), and 2018/853 (environmental reporting) (OJEU, 2018c). Furthermore, Directive (EU) 2019/904 was adopted in 2019 to reduce the environmental impact of single-use polymer products (OJEU, 2019; OJEU, 2025)

According to new regulations, the EU sets revised, binding quantitative targets. The overall target for the preparation for reuse and the recycling of municipal waste increases from 55% (by 2025) to 65% (by 2035). Specifically for packaging waste, the overall recycling target is set at 65% by 2025 and 70% by 2030 (OJEU, 2018).

To meet European requirements, Greece has adopted these directives in national law. Now, large producers must separately collect recyclable materials like metal, glass, plastic, and paper/cardboard. The separate collection of bio-waste is also required, and single-use plastics are restricted.

To strengthen local authorities in waste management and environmental protection, the State provides financial incentives (rewards) to municipalities based on their performance in separate waste collection and in reducing landfill waste (OJHR, 2023).

In addition, Law 4819/2021 (OJHR, 2021) mandates the separate collection of packaging waste into distinct streams in municipal public spaces, such as sports facilities, playgrounds, and nurseries. At the local level, the preparation of Local Waste Management Plans (LWMPs) by First-Level Local Authorities has become mandatory, alongside the registration of operational data in the Electronic Waste Registry (EWR). Compliance with these requirements is now a binding prerequisite for municipalities to access financial programs.

To manage solid waste and meet circular economy goals, the Ministry of Environment and Energy recommends using the European waste hierarchy: a) prevention, b) preparation for reuse, c) recycling, d) energy recovery, and e) final disposal.

Therefore, the main objective of this research is to examine the strategies municipalities implement to prevent waste and to evaluate the extent to which these efforts achieve the objectives of the circular economy through proper management of municipal waste.

4.2 Methodology

Initially, the research centers on EU policies on solid waste management, aimed at conserving and protecting natural resources, and then on



Figure 4.1 Municipality of Nea Smyrni.

national-level policies. In addition, case studies, circular design strategies, and best practices applied in the urban environment are investigated. The survey focuses mainly on the Municipality of Nea Smyrni, which has undertaken substantial efforts, particularly in implementing circular-economy measures, waste management, the circularity of natural resources, and social awareness.

The research uses fieldwork, statistical data on the Municipality's performance, and interviews with the technical service staff. Implemented policies are assessed, and new actions are proposed to strengthen the circular economy and urban sustainability.

4.3 Case Study

4.3.1 Geographical location and main characteristics of the area

The Municipality of Nea Smyrni is located in the southern sector of the Attica region in Greece. It is bordered by the Municipality of Aghios Dimitrios to the east, Palaio Faliro to the south, Kallithea to the west, and the municipalities of Athens and Dafni to the north (Figure 4.1).

According to the Hellenic Statistical Authority (HAS, 2023), Nea Smyrni experienced significant population growth over the past four decades, peaking at 76,508 in 2001. From 2011 to 2021, the population stabilized, with a slight decrease from 73,076 to 72,853 (Table 4.1).

The demographic profile of Nea Smyrni over the last four decades reveals a period of significant growth followed by a phase of stabilization. The population peaked in 2001 at 76,508 residents, reflecting the era's intense urbanization. However, from 2011 to 2021, the population remained remarkably stable, with a negligible decrease from 73,076 to 72,853.

Table 4.1 Population Evolution of Nea Smyrni (1981–2021).

Census Year	Population	Growth Rate (%)
1981	67,408	-
1991	69,749	+3.47%
2001	76,508	+9.69%
2011	73,076	-4.49%
2021	72,853	-0.31%

Statistical data show that Nea Smyrni is among the most densely populated municipalities in Greece, with about 20,000 residents per km² in an area of just 3.52 km².

The area hosts numerous businesses, with commercial and service activities as the primary drivers of the local economy.

High urban density and economic activity have increased municipal solid waste, posing a challenge for local authorities. In response, the Municipality of Nea Smyrni has implemented robust environmental policies and developed a comprehensive solid waste management system, detailed below.

Population and economic growth have led to a sharp increase in the generation of Municipal Solid Waste (MSW), posing a critical management challenge for the Local Government. As a result, the Municipality of Nea Smyrni implements a structured framework of environmental policies to ensure public health and maintain a sustainable urban environment. Thus, it has developed a solid waste collection and management system, whose structural characteristics are presented below.

4.3.2 Existing municipal solid waste management (MSW) system

The Municipality of Nea Smyrni operates an integrated solid waste collection and management network, which is fundamentally based on the principles of

source separation (SS) and differentiated multi-stream collection. Specifically, the following bin categories were identified during the in-situ investigation:

1. Green bins (metal and plastic): Used for the disposal of mixed (non-recyclable) household waste.
2. Blue bins: Serve the recycling of packaging materials such as plastic, paper/cardboard, tinplate, and aluminum.
3. Blue bells: Used exclusively for the separate collection of glass bottles and packaging, promoting (SS) at both the household level and within the local commercial network (for example, catering businesses).
4. Purple/Red bins: Specialized systems for collecting clothing and footwear, strategically positioned throughout the city.
5. Brown bins: Facilitate the separate collection of the biowaste (organic) stream for composting.
6. Submerged (underground) systems: Installed in central squares and major arteries, these systems aim to aesthetically upgrade the urban landscape while optimizing available public space

The system is further supported by infrastructure designed to maximize collection efficiency. In 2021, a temporary storage model provided households with small-capacity bins (100- and 300-liter) (MNS, 2021). Agreements with the Municipality allow bins to be stored on private premises, reducing visual pollution, and to be placed in public areas only during scheduled collection times. The Municipality has now procured additional bins to meet current collection needs.

4.3.3 Collection, transport, and final disposal system (Logistics)

A significant modernization phase of the municipal mechanical equipment took place between 1999 and 2008. During this period, the fleet was expanded to include tractors for transporting waste containers to the landfill, as well as new collection vehicles, street sweepers, and crane trucks.

Currently, waste collection is carried out by an active fleet comprising 14 waste collection trucks and 14 compactor vehicles of varying capacities (9 14 m³, 3 16 m³, and 2 1 m³ compactors) (MNS, 2021).

The department's specialized personnel manage route optimization, and each vehicle completes one to two routes daily, covering an average distance of 10–15 km with an average duration of 4–5 hours. Vehicle capacity utilization (fill rate) reaches 90% at the end of each route.

Following collection, mixed municipal waste is transported to the Municipality's Local Transfer Station, which covers 4.03 acres in the southeastern part of the study area. Regarding final disposal and treatment, recyclable waste streams are forwarded to the material recovery facilities of the Hellenic Recovery Recycling Corporation (HERRCO / EEAA S.A.). For the mixed waste stream, 70% is directed for final disposal at the Fyli Sanitary Landfill, while the remaining 30% is routed through the Schisto Transfer Station (MNS, 2021).

4.3.4 Historical evolution and quantitative analysis of recycling programs

4.3.4.1 Early stages and network development (2002-2008)

The waste management practices in the Municipality of Nea Smyrni date back to the 2002–2005 period, when a pilot program for the recycling of Waste Electrical and Electronic Equipment (WEEE) was implemented. This program was co-funded by the European Union and the Ministry of Environment, under the scientific guidance of the Ecological Recycling Society.

In 2006, Nea Smyrni joined the national packaging recycling system, installing 600 blue bins and achieving a daily collection rate of 15 tons of recyclables. Between 2007 and 2008, the network expanded, focusing on commercial zones and high-waste areas. Active citizen participation was crucial, as residents helped determine bin locations and monitored fill levels, reporting to municipal authorities (MNS, 2019).

4.3.4.2 Expansion of source sorting streams (2017-2019)

During 2017–2019, the municipality further expanded its recycling strategy, introducing separate source-sorting streams for paper, glass, lighting equipment, small electrical appliances, batteries, and clothing reuse. According to the municipality's statistical data, the total quantity of recovered materials amounted to 1,744.86 tons in 2017, 1,568.16 tons in 2018, and 1,913.69 tons in 2019. Despite these intensified recycling projects, the vast majority of generated municipal solid waste continued to be directed to sanitary landfills for final disposal (MNS, 2021).

4.3.4.3 Intensification of recycling and bio-waste management (2021-2024)

Statistical data from 2021 to 2024 show significant fluctuations in material recovery rates, with an overall upward trend. Collected recyclables totaled

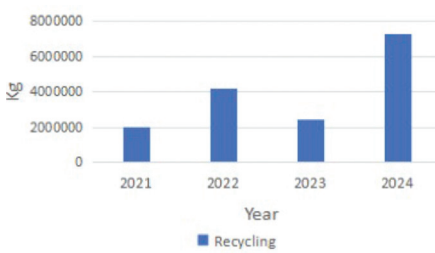

Figure 4.2 Recycling in Municipality of Smyrni (2021-2024) (Source: MNS, 2025).



Figure 4.3 Bio-Waste in Municipality of Smyrni (2021-2024) (Source: MNS, 2025).

2,016,571 kg in 2021. In 2022, this increased by 76.39% to 4,154,597 kg. In 2023, this fell by 34.76% to 2,418,966 kg, but in 2024 it surged by 189.12% to 7,296,608 kg (Figure 4.2).

In 2021, the Municipality launched a home composting initiative, distributing 100 domestically manufactured composters (model "Garden King," 330 liters) to residents free of charge to reduce green waste and produce compost. This was complemented by deploying 350 brown bins citywide. As a result, separate biowaste collection increased steadily, reaching 155,210 kg in 2022, 202,680 kg in 2023, and 299,380 kg in 2024 (Figure 4.3).

4.3.5 Environmental education and awareness

Targeted environmental education initiatives have systematically strengthened the waste management system. The active involvement of local schools and the 'School Recycling Championship' has been key in fostering ecological awareness among youth and in promoting circular economy principles at the municipal level.

4.3.6 Complementary rewarding programs: "Green City" (2022-2023)

During 2022–2023, material recovery rates improved further through the Municipality's participation in the 'Green City' reward-based recycling program. Supported by the Attica Region and EDSNA, this program offers direct incentives to citizens and complements the blue bin collection system (SIMAA, 2026).

Statistical data show an 8% increase in materials recovered through this network, totaling 26.87 tons in 2023, up from 24.87 tons in 2022. Metal recovery rose from 1.12 to 4.41 tons, and the amount of collected aluminum

more than doubled. Plastic bottle (PET) recovery also doubled, reaching 3 tons in 2023, up from 1.5 tons in 2022. However, paper recovery decreased by 2 tons compared to 2022 (Table 4.2).

This decrease is attributed to residents' preference for the blue bin network for paper disposal because of its convenience. For Waste Electrical and Electronic Equipment (WEEE), while the collection of conventional appliances declined, the recycling of air conditioning units increased.

Table 4.2 Composition and Percentage Distribution of Recyclable Material Categories (2022–2023), Recycling (Green City Program).

Material Category	2022 (tn)	2023 (tn)	Change (%)
Paper & Cardboard	10.50	8.29	−2.21
Metallic Objects	1.12	4.41	+3.29
PET (Plastic Bottles)	1.54	3.06	+1.52
Glass	3.21	2.91	−0.30
Clothing & Textiles	2.67	2.57	−0.10
Hard/Other Plastics	1.89	1.99	+0.10
Small Appliances (WEEE)	2.84	1.46	−1.38
Aluminium	0.42	1.03	+0.61
Waste Oils(UCO) (Used Cooking Oils)	0.64	0.65	+0.01
Air Conditioners (WEEE) Waste Electrical and Electronic Equipment	0.02	0.46	+0.44
Batteries	0.00	0.05	+0.05
Total	24,87	26.87	+2.00

Source: author's elaboration of SIMAA (2026)

4.3.7 Evolution of rates of source sorting, recycling, separate collection of biowaste and energy recovery

During the period 2022-2024, the Municipality of Nea Smyrni showed a steady upward trend across all key alternative management indicators, including the recovery of recyclable materials, the separate collection of biowaste, and energy recovery.

Specifically, the overall Source Separation Index (SSI) demonstrated a considerable increase, rising from 4.90% in 2021 to 16.16% in 2024. The diversion rate of recyclable materials followed a similarly significant trajectory, rising from 4.20% in 2021 to 15.08% in 2024.

At the same time, the separate collection rate for the organic biowaste stream improved to 1.12% in 2024, up from 0.70% in 2021. Thus, beyond material recycling, developments in energy recovery (Waste-to-Energy) proved highly significant, with the recovery rate nearly quadrupling to 9.56% in 2024 from 2.50% in 2021 (Table 4.3).

Table 4.3 Evolution of rates of source sorting, recycling, separate collection of biowaste and energy recovery in the Municipality of Nea Smyrni (2021-2024).

Year	Source Separation (SS) %	Recyclables %	Biowaste %	Recovery (Energy/ Waste-to-Energy)%
2021	4.90	4.20	0.70	2.50
2022	6.40	5.20	1.10	3.80
2023	6.28	5.53	0.75	3.69
2024	16.16	15.08	1.12	9.56

Source: author's elaboration of SIMAA (2026)

4.3.8 Interview results

Interviews with the Deputy Mayors for Cleanliness and Recycling reveal that, despite a modernized fleet, the Municipality faces significant operational challenges. High rates of waste mixing in the blue bin stream mean that only a small portion of the collected materials is processed at Material Recovery Facilities (MRFs).

Considering that, for the year 2019, the total cost of MSW management amounted to 6.49 million euros (198.33 euros per ton, out of a total of 32,724 tons of MSW, or 88.82 euros per inhabitant), it becomes clear that the economic benefit resulting from recycling is very small (MNS, 2021).

Economically, revenue from recyclable material sales is low (about €20,000), insufficient to cover operating costs. The recycling system relies on the Municipality's budget and co-financed European and regional programs.

Considering that, for the year 2019, the total cost of MSW management amounted to 6.49 million euros (198.33 euros per ton, out of a total of 32,724 tons of MSW, or 88.82 euros per inhabitant), it becomes clear that the economic benefit resulting from recycling is very small (MNS, 2021).

4.4 Discussion

To address these challenges, the Municipality is implementing initiatives to further reduce waste generation at the source. The updated strategic plan includes establishing a Creative Materials Reuse Center (CMRC), introducing a 'Pay-As-You-Throw' (PAYT) system, and strategically locating Green Points and Recycling Corners. The Municipality will install 35 public drinking water taps to reduce disposable plastic use and will divert collected biowaste to biogas and energy production facilities. These actions align with the European waste management hierarchy, prioritizing prevention, reuse, and recycling over disposal.

Notably, the Municipality of Nea Smyrni achieved a significant increase in recycling rates in 2024 compared to the previous year. Given that the local population has remained relatively stable, the sharp increase in 2024 suggests that this growth is independent of demographic fluctuations. Instead, the increase can be attributed to increased environmental awareness among residents, a more efficient collection infrastructure (specifically increased bin density), and changes in consumer behavior.

Despite significant investment in infrastructure and financial incentives, the current recycling rate (15.08%) remains well below the European 2025 target of 55%.

Achieving these goals is a multifactorial process that depends directly on existing infrastructure, the financial resources raised for waste management, the institutional actions over the last decade, and citizens' level of environmental awareness.

In-situ research confirms that the Municipality has the necessary technical equipment and a dense source-separation network, with collection points for all waste streams located near residences. Despite ongoing public information campaigns, further efforts are needed to strengthen civic mobilization and encourage greater citizen commitment to waste separation.

Analysis of the Sorting at Source (SS) index for the 2021–2024 period (Table 4.4) reveals that Municipalities within the Attica Region are mainly concentrated in the mid-performance tiers. In 2024, the highest proportion of Local Government Organizations (LGOs) was 30.30%, falling within the 11%–15% range. Concurrently, a marginal decrease was observed in the lowest performance category (<6%), declined slightly from 19.70% in 2021 to 18.18% in 2024.

Table 4.4 Distribution of Municipalities in the Attica Region (66 municipalities) by Source Separation (SS) Performance Rates (2021–2024).

Source Separation (SS) Rate	**2021 (%)**	**2022 (%)**	**2023 (%)**	**2024 (%)**
21% – 30%	13.64	21.21	6.06	10.61
16% – 20%	19.70	12.12	16.67	21.21
11% – 15%	31.82	28.79	33.33	30.30
6% – 10%	15.15	21.21	31.82	19.70
< 6%	19.70	16.67	12.12	18.18
Total	100	100	100	100

Source: author's elaboration of SIMAA (2026)

A similar trend is reflected in the recovery rates of clean recyclable materials (Table 4.5). Throughout the four-year study period, the majority of local authorities remained concentrated within the 11%–15% range, accounting for a significant share of 34.85%-40.91%.

The distribution at the extremes is notable. The highest performance category (21%–30%) was marginally represented in 2021 (1.52%) and was absent in subsequent years. Conversely, participation in the 16%–20% range increased from 3.03% in 2021 to 9.09% in 2024. This indicates an improvement in performance for a segment of local governments that was previously classified in the 6%–10% category (which declined from 33.33% to 27.27%) (Table 4.5).

Table 4.5 Distribution of Municipalities in the Attica Region (66 municipalities) by Recycling Rate (2021–2024).

Recycling Rate Tier	2021 (%)	2022 (%)	2023 (%)	2024 (%)
21% – 30%	1.52	0.00	0.00	0.00
16% – 20%	3.03	4.55	4.55	9.09
11% – 15%	39.39	34.85	40.91	40.91
6% – 10%	33.33	34.85	31.82	27.27
< 6%	22.73	25.76	22.73	22.73
Total	100.00	100.00	100.00	100.00

Source: author's elaboration of SIMAA (2026)

Despite some improvements in specific performance tiers, the overall outlook remains unsatisfactory. In 2024, 22.73% of municipalities still recorded low recycling performance (<6%). The data indicate a significant gap between Attica Local Authorities and the 55% European target, highlighting the need to review the current solid waste management model.

Local Government Organizations must intensify efforts by adopting innovative policies and best practices. Key factors for improving recycling rates include:

- The structured integration of environmental education at all levels of formal education.
- The continuous cultivation of ecological awareness and the active participation of citizens.
- The implementation of targeted information campaigns regarding recyclable materials, optimized sorting practices, and acceptable waste streams

In general, there is an urgent need to scale up efforts by Local Government Organizations through the adoption of new policies and best practices. The continuous cultivation of environmental awareness, supported by integrating environmental education at all levels, is expected to play a key role. At the same time, systematic and targeted information on which materials are recycled and how to properly involve all citizens in the process is a fundamental prerequisite for improving recycling indicators.

With 5,440,000 tons of waste are produced annually nationwide, most of it ending up in landfills, and annual per capita landfill waste reaching 422 kilograms, the problem is more worrying and requires immediate measures.

4.5 Conclusion

Regarding the framework for adapting to climate change and the transition to a circular economy, the European Union has adopted a comprehensive set of directives. Member States have incorporated this framework into national legislation and subsequently developed specific strategies and national action plans for the sustainable management and protection of natural resources.

In Attica, the most populous region in Greece, research indicates that in 2024, only a small percentage of municipalities achieved recycling rates within the 16%–20% range. This performance falls significantly short of the binding European targets for 2025 and 2030; as a result, most solid waste continues to be diverted to sanitary landfills for final disposal.

Research in Nea Smyrni found a recycling rate of 15.1% in 2024. Although this is a significant improvement over previous years, it remains well below the European target of 55%–65%. However, policy evaluations show that the Municipality has implemented targeted waste management actions aligned with national and European strategies.

A solid foundation for integrated solid waste management has been established, enabling future increases in material recovery. Recycling targets depend on municipal planning and active citizen participation.

This survey highlights the importance of ongoing efforts to inform and engage citizens. Increasing motivation to participate and raising awareness through education across all age groups are essential. Adopting best practices for managing and protecting natural resources is also crucial.

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5

Enhancing Circular Economy Outcomes through Strategic Collaboration: Management Approaches for Policymakers, Business and Consumers

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Abstract

This chapter examines the transition to a circular economy through strategic collaboration among key actors: policymakers, businesses, and consumers. The circular economy is defined as a system that replaces the traditional linear "take-make-dispose" model with practices of reduction, reuse, recycling, and resource regeneration, aiming for sustainable development at micro, meso, and macro levels. The study provides a comprehensive review of governmental instruments, business activities, and consumer behavior relevant to circular practices. Governments create institutional and regulatory conditions through policies, financial incentives, public procurement, extended producer responsibility schemes, and public–private partnerships, enabling the transformation of business models. Businesses integrate circular principles through circular business model design, knowledge management, industrial symbiosis, and closed-loop supply chains, supported by digital technologies

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and innovation. Consumers, through conscious consumption, education, and the application of "R" strategies, further reinforce the circular economy. The aim of this study, based on this theoretical analysis, is to propose a conceptual framework that captures the dynamic interaction among policymakers, businesses, and consumers, illustrating how strategic collaboration can enhance circular outcomes. The framework will emphasize that circular cconomy performance emerges from interconnected regulatory, organizational, and behavioral mechanisms rather than from isolated interventions. The interaction among these three actors leads to resource optimization, increased reuse, improved value chain management, and the creation of economic and environmental value, highlighting the importance of continuous collaboration and dynamic feedback mechanisms for effective circular cconomy implementation.

5.1 Introduction

The circular economy describes an economic system based on business models that replace the concept of "end-of-life" with reduction, alternative reuse, recycling, and restoration of materials in production/distribution and consumption processes. It operates at the micro level (products, companies, consumers), meso level (eco-industrial parks), and macro level (city, region, nation, and beyond), aiming to achieve sustainable development, which involves creating environmental quality, economic prosperity, and social equity for the benefit of present and future generations (Geissdoerfer, 2020).

The circular economy emphasizes business models for reuse, repair, and recycling, and such a business model is expected to help shift the flow of products into a closed-loop system to reduce the high dependence on new natural resources (Nikolaou et al, 2021).

5.2 Literature Review

The transition from a linear to a circular economy represents a complex and systemic process that requires strong institutional support, regulatory interventions, and the active involvement of all relevant stakeholders. The literature clearly indicates that government policies, regulations, and legal frameworks play a crucial role in encouraging and implementing the principles of the circular economy. According to Kazancoglu et al., governments can influence corporate behavior by establishing environmental standards and legally binding obligations across industries, thereby creating a favorable environment for the adoption of circular practices (Kazancoglu

et al., 2021). Lewandowski, in turn, identifies the integration of the circular economy into existing environmental regulatory systems—together with financial instruments, technical support, and transparent monitoring mechanisms—as a necessary prerequisite for a successful transition (Lewandowski, 2016).

Zhang et al., in their study "Circular Economy Policies in China and Europe: A Systematic Literature Review", note that in the European context, the focus is placed on sustainable product policies, such as eco-design and Extended Producer Responsibility (EPR), implemented through a bottom-up approach involving multiple stakeholders (Zhang et al., 2025). Nevertheless, research highlights significant challenges related to the development of comprehensive, sector-specific, and regionally adapted policies. According to Wasserbaur et al., the transformation of business models, supported by appropriate government regulations, is considered one of the key instruments for accelerating the circular transition (Wasserbaur et al., 2022).

As part of governmental regulatory measures, Orazlin and Baydaleto emphasize Extended Producer Responsibility as an important mechanism for internalizing environmental costs throughout the entire product life cycle (Orazlin and Baydaleto, 2020). Contemporary approaches to EPR stress the need to redesign compensation schemes so that they incorporate all costs required to achieve circular economy objectives, including the gradual reduction of primary raw material use (Vermeulen et al., 2022). In this context, supply chain management emerges as a critical area for implementing circular principles, as policies promoting circular supply chains enable a shift from linear to closed-loop systems (Tong et al., 2024).

At the micro level, circular business models play a central role in integrating circular economy principles into corporate strategies. Thakuri et al., in their study *"*Digital Technologies Enabling Component Reuse in Circular Value Chains: Using Digital Twin, Internet of Things and Robots in Construction and Manufacturing Sectors*"*, indicate that business model innovations supported by digital technologies such as the Internet of Things, digital twins, and analytical tools enable improved resource management, component reuse, and optimization of value chains (Thakuri et al., 2024). Governance practices, corporate social responsibility, and transparent reporting further contribute to aligning economic and environmental objectives (Gorski and Badea, 2025).

Finally, the literature emphasizes that consumers play a fundamental role in the transition to a circular economy. According to Jourdain et al., circular behavior encompasses activities both before and after purchase, including the selection of eco-designed or refurbished products, as well as

their reuse, repair, and recycling (Jourdain et al., 2024). However, numerous barriers persist, such as insufficient awareness, price sensitivity, and cultural resistance to secondary products (Kirchherr et al., 2018; Camacho-Otero et al., 2019). Green attitudes, trust, and identification with circular products significantly influence purchase intentions, with Yang et al. and Duarte et al. highlighting education and awareness as key drivers of sustainable behavior (Yang et al., 2024; Duarte et al., 2024). In this context, Rejeb et al. note that neuromarketing has emerged as an innovative approach for better understanding the psychological and emotional aspects of sustainable consumption (Rejeb et al., 2020).

5.3 Policymakers: Circular Economy Governance and Policy Instruments

In the transition from a linear to a circular economy, government policies, regulations, and legal frameworks play an important role. Government actions are needed to develop circular economy practices, as the government can encourage companies to adopt circular economy policies by establishing environmental regulations for each industry (Kazancoglu et al, 2021). Therefore, the government should integrate circular economy legal arrangements into its existing environmental regulatory and legislative system. These regulations and support systems should include financial initiatives, technical assistance, incentive policies, collaboration platforms, and guidelines for monitoring and auditing within a transparent structure across the supply chain (Lewandowski, 2016). Governments can also promote circularity-based public procurement to foster related laws and implement circular business activities (Yuan et al, 2008).

Decision-making required to achieve government objectives in the field of the circular economy demands broader stakeholder involvement in the transition. This also includes redesigning the compensation structure within Extended Producer Responsibility (EPR) schemes, incorporating all costs necessary to meet circular economy goals, particularly the gradual phase-out of primary raw material use. This will result in higher and modulated financial incentives, depending on the distance from targets established by national and/or European circular economy policies (Vermeulen et al, 2022).

Europe places greater emphasis on "sustainable product" policies, such as eco-design and extended producer responsibility, relying more on multi-stakeholder collaboration through a bottom-up approach (Zhang et al, 2025). Challenges in Europe relate to difficulties in policy development, formulating sector and region-specific policies, as well as developing

comprehensive policies (Zhang et al, 2025). A key instrument for a successful transition to a circular economy is the transformation of business models and the formulation of supportive government regulations (Wasserbaur et al, 2022).

Local authorities facilitate the adoption of the circular economy by acting as a key intermediary between stakeholders, i.e., business actors, society, and other levels of government representatives (Anttiroiko, 2023; Nylén et al, 2024; Rincón-Moreno et al, 2022). They also provide financial incentives, infrastructure development, and technical assistance (Rincón-Moreno et al, 2022).

Extended Producer Responsibility (EPR) is a policy approach that holds producers accountable for the environmental impacts of their products throughout their lifecycle (Orazlin and Baydaleto, 2020). Supply Chain Management (SCM) is a critical area where businesses can integrate circular economy principles (Munonye, 2025). Policies promoting circular supply chains are crucial for encouraging businesses to redesign their value chains, transitioning from a linear "take-make-dispose" approach to a closed-loop system (Tong et al, 2024). Policies that provide financial incentives, such as tax relief or subsidies for companies using recycled materials, can help mitigate the higher costs associated with implementing circular supply chains (Hartley et al, 2020).

The circular economy requires changes in infrastructure, policies, and behaviors, all of which demand coordinated efforts from both the public and private sectors. Public-private partnerships (PPPs) serve as a strategic mechanism to bridge the gap between the financial and technical capacities of the private sector and the regulatory and policy frameworks of the public sector (Laplane, 2020). For PPPs to be effective, public and private entities must be able to work seamlessly together, sharing data, technologies, and processes that enable the smooth functioning of collaborative projects. The importance of interoperability lies in its ability to synchronize the goals and activities of both sectors, ensuring that innovations are deployed in a manner consistent with regulatory frameworks, policy priorities, and societal needs (Tanver et al, 2025).

Governmental synergy refers to a dimension in which industrial enterprises interact with state institutions at all levels—from national to local. In each industrial zone, there are numerous opportunities and challenges beyond the control of individual enterprises; for example, efficient transport infrastructure provided by the public sector can enhance competitiveness, while infrastructural constraints can reduce it. Therefore, a favourable government environment directly impacts the competitive potential of enterprises,

with efficient and effective public governance functions creating synergistic relationships between industries, policymakers, and shared infrastructure (Oughton et al, 2022).

Governments can include green economic incentives in their policies to encourage enterprises to increase their commitment to environmental sustainability (Clemens, 2006). These incentives can be financial or non-financial, aiming to ensure that the transition to a circular economy is more focused and sustainable (Koval et al, 2022). Furthermore, governments can implement prosocial and pro-environmental incentives as a strategic effort to promote environmental protection (Authelet, 2021). Conversely, such incentives can motivate enterprises to share knowledge and communicate about environmental issues (Guofeng, 2020).

Public procurement (PP) is a key economic activity of governments (Walker, 2012) and refers to the acquisition of goods and services by governments or public sector organizations through public contracts. It enables public sector organizations to carry out their functions and deliver their services (Kiver, 2014). During collaboration between procurement processes and circular economy business models, companies can gain experience in defining product or service specifications to close loops and optimize resource use at the product or service level (Mont, 2002). Such collaboration can provide experience for further partnerships between suppliers and procurers. This framework focuses on waste reduction, and consequently raw material reduction, by shifting from a product-focused approach to a product-service system where cycles are closed through refurbishment (Witjes, 2016). In this process, value generation shifts from a unit price to a service price (per functional unit). The successful outcome of the process depends on the collaboration between the procurer and supplier to determine both technical and non-technical specifications. Collaboration begins during the tender preparation phase rather than during the procurement phase (Witjes, 2016).

5.4 Circular Business Modes and Collaboration Mechanisms

Management and strategy play a crucial role in ensuring the effective implementation of circular initiatives and in enhancing corporate performance aligned with sustainability goals. In the process of developing and executing circular strategies that reduce negative environmental impacts and support long-term economic objectives, companies need to adopt effective managerial practices that align their goals with corporate sustainability principles (Gorski and Badea, 2025). Through the implementation of Corporate Social

Responsibility (CSR) frameworks and sustainability reporting, which integrate environmental, social, and governance factors, management can provide transparency regarding organizational initiatives, activities, and performance in both financial and non-financial domains (Gorski and Badea, 2025).

The key role of the business model is to embed circular economy principles into the design or redesign of business activities and partnerships, creating a cost and revenue structure compatible with both sustainability and profitability (Zuchella, 2018). Circular business model innovation can be defined as the conceptualization and implementation of circular business models, encompassing the creation of circular start-ups, diversification into circular business models, acquisition of circular business models, or transformation of an existing business model into a circular one (Geissdoerfer, 2020). End-of-life models enable the reduction of environmental impact for other companies by promoting circularity in the economy. Strategically, these models focus on reducing resource consumption and reusing materials, supported by digitalization and data management, appropriate technical infrastructure, and efficient inventory management. Revenue models are often service-based, linked to analytics and data (analytics-as-a-service and data-as-a-service), while the ultimate impact is reflected in material savings, increased reuse, and significant reductions in CO_2 emissions (Jonker, 2022).

Within the ecosystem, knowledge is exchanged and collaboration occurs among its actors, enabling a joint approach to important societal challenges. Knowledge, as an intangible resource, is crucial in creating organizational value (Krawczyk, 2022). Knowledge management can be applied in the ecosystem to incorporate sustainability dimensions and circularity principles from the early stages of product design (Weina and Yanling, 2022). This includes the creation, organization, accumulation, and sharing of knowledge among multiple stakeholders, encompassing actors from both the macro-environment and within the ecosystem itself. Knowledge content can originate both internally and externally, highlighting the holistic nature of knowledge management (Trzcielińska and Kaps, 2023).

Within the concept of the circular economy, Industrial Symbiosis (IS) represents a concrete and practical approach to operationalizing circularity at a larger scale. Industrial symbiosis involves the exchange of materials, energy, water, and by-products between spatially proximate or functionally linked industries, aiming to reduce waste and increase resource efficiency (Munonye, 2025). However, industrial symbiosis is not solely a technical solution; its success depends on complex inter-organizational coordination, trust-building, and appropriate institutional support. Industrial symbiosis is based on strategic collaboration among industries, where waste or by-products

from one process become valuable input resources for another, enabling the optimization of resource flows within interconnected networks (Munonye, 2025). Supportive industry synergy refers to a dimension where enterprises in the supporting industry, providing services within the broader industrial area, are intentionally located close to heavy or "primary" industries. They supply the materials and services needed by the primary industries and collaborate among themselves to deliver them at competitive prices (Oughton, et al, 2022). Supply chain management has been identified as one of the most critical factors for adopting circular economy principles (Govindan and Hasanagic, 2018), as the adoption of circular economy principles through supply chain management provides benefits in achieving more sustainable outcomes (Genovese et al, 2017).

The Closed-Loop Supply Chain (CLSC) involves the application of reverse logistics, where products are returned to the manufacturer to find more sustainable ways to reuse components (Guide and Van Wassenhove, 2006). The CLSC concept is the closest approximation to a Circular Supply Chain (CSC); however, its inherent limitation is that it focuses exclusively on reducing the amount of waste sent to landfills. A circular supply chain starts from the product design phase and includes end-users in adopting recycling and reuse practices (Khanna et al, 2024).

Data-driven modeling and analytics (Digital Twin), data collection and monitoring (Internet of Things [IoT]), and data-informed automation (robots) contribute to improving component reuse practices. These digital technologies enable opportunities to implement component reuse practices through knowledge optimization, planning optimization, and improved operationalization. They further offer benefits for circular system design for reuse, improved physical processes, enhanced management of circular value chains, economic value optimization, and innovation and development (Thakuri et al, 2024).

To fully realize the potential of the circular economy, it is imperative for businesses to adopt a strategic approach, focusing on innovation, collaboration, and continuous improvement. In doing so, they can contribute to global sustainability goals while ensuring their own economic sustainability (Shiva, 2024).

5.5 Circular Behavior and participation in Circular Economy

Consumers play a significant role in the transition to a circular economy. People use and consume products, and reported demand influences what is

produced globally. To achieve emission reductions through circular economy principles, consumption must be reduced and directed toward more sustainable, higher-quality, and longer-lasting products (Ostrowska and Krul, 2024). The forms of individual "R" strategies include refusal, rethinking, reduction, reuse, repair, refurbishment, remanufacturing, and recycling (Potting et al, 2018). Circular consumption behavior can be segmented into two categories: downstream activities and upstream activities (Shams et al, 2025). The downstream phase includes end-of-life activities for e-products. For example, donation, resale, and proper disposal are facilitated through circular R-strategies such as reuse/resale, repurposing, or recycling. These measures minimize e-waste creation, dispersion, and landfilling by closing the loops of e-products and their components. In this way, consumers can act as resource suppliers at the end of the supply chain (Jourdain et al, 2024). On the other hand, upstream activities involve the acquisition of e-products. This includes purchase decisions such as opting for second-hand or refurbished e-products, eco-designed e-products, and refusing to buy non-circular e-products. For this, consumers use R-strategies such as refusal, reduction, reuse, repair, or refurbishment (Jourdain et al, 2024).

In the pre-purchase phase, a lack of consumer awareness (Kirchherr et al, 2018), environmental interest (Ormazabal et al, 2018), and participation in the circular supply chain (Pasqualoto et al, 2023) influence behavior. Consumers' knowledge and awareness regarding refurbishment, as well as their perception of reused components, are limited, making the implementation of circular economy practices more difficult (Govindan, 2018).

In the purchasing phase, price increases are generally not appreciated by consumers (Scarpellini et al, 2019), and green purchasing behavior is uncertain (Masi et al, 2017). Customers prefer new products over reused or remanufactured components (Milios et al, 2019), and cultural barriers exist regarding consumer behavior toward "secondary/circular products" and the lack of acceptance of circular offerings by consumers and users (Camacho-Otero et al., 2019).

According to Morin (2011) and Rejeb (2020), neuromarketing is a new interdisciplinary field linking consumer behavior with neuroscience. As a novel concept in economics, neuromarketing combines multiple disciplines, including neuroscience, marketing, and psychology (Ulman et al, 2015).

Green attitude is the degree to which an individual perceives themselves as part of the natural environment, encompassing personal emotions and judgments toward environmental issues. It is beneficial for the conservation of the environment and natural resources (Jung et al, 2014). Green attitude is considered a key factor influencing consumers' intentions to purchase circular

economy products; it not only shapes their purchase decisions but also affects their consumption behavior, including repeat purchases and spending (Yang et al, 2024).

Awareness and concern for the environment are important antecedents of trust in circular economy products, attitude toward circular economy products, and identification with circular economy products. Both trust and attitude significantly influence commitment to circular economy products. Trust, commitment, and identification with circular economy products are key determinants of the intention to purchase circular economy products (Yang et al, 2024).

For consumers to engage in the circular economy, they must be informed (or educated) about it (Duarte et al, 2024). Consumer knowledge plays a fundamental role in driving behavior change toward circularity (Korsunova et al, 2023). When informed about the benefits of green energy, such as reduced resource depletion, minimized waste generation, and increased product longevity, consumers are more likely to make conscious decisions aligned with circular principles (European Environment Agency, 2022). Understanding consumer awareness and knowledge gaps around circularity can help identify areas for targeted education and awareness campaigns to improve consumer engagement (Duarte et al, 2024).

To enhance organizational sustainability and accelerate the overall transition to a circular economy, neuromarketing tools such as eye tracking and electroencephalography have the potential to analyze multiple aspects of consumer behavior regarding sustainable consumption (Pagan et al, 2020). By leveraging these marketing advancements, circular economy businesses can gain insights into the different emotions, psychological reactions, cognition, and behaviors of consumers (Rejeb et al, 2020).

5.5.1 Proposed conceptual framework for enhancing circular economy outcomes through strategic collaboration among policymakers, businesses, and consumers

This study proposes an integrated conceptual framework that explains how strategic collaboration among policymakers, businesses, and consumers enhances circular economy outcomes. Grounded in systems thinking, the framework conceptualizes the circular economy as a dynamic sociotechnical system in which regulatory structures, organizational practices, and consumer behavior interact to enable resource efficiency, value creation, and sustainable development.

At the core of the framework lies the premise that circular economy performance cannot be achieved through isolated actions, but rather through coordinated, multi-actor engagement across the value chain.

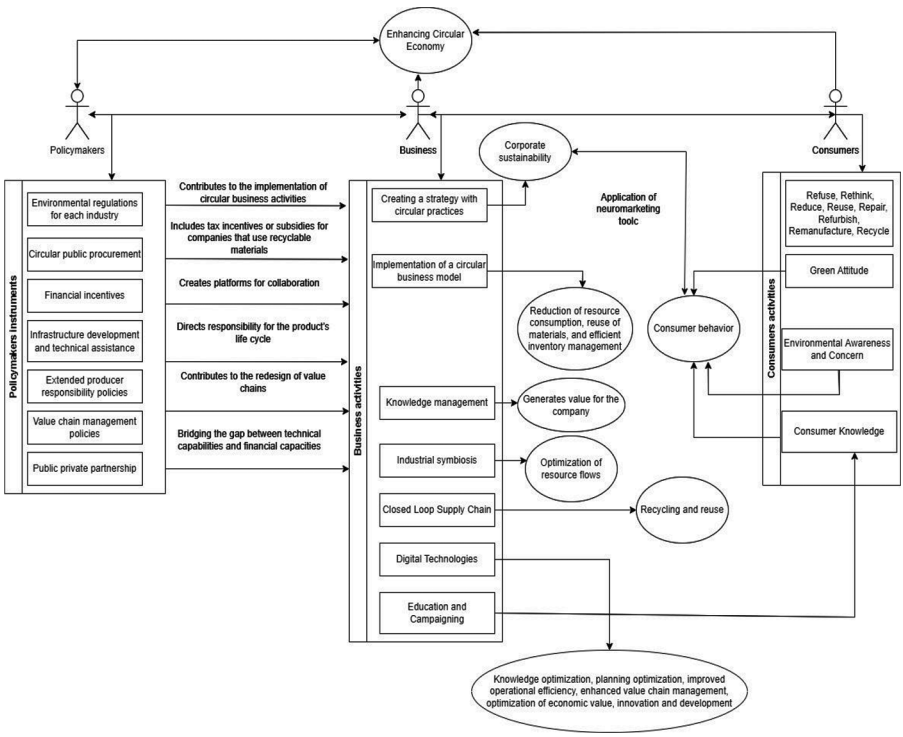

Figure 5.1 Conceptual Framework for enhancing Circular Economy outcomes through strategic collaboration among Policymakers, Businesses, and Consumers. Source: Authors' elaboration.

The proposed framework conceptualizes the circular economy as a dynamic system shaped by the strategic interaction of policymakers, businesses, and consumers, whose coordinated actions collectively contribute to the enhancement of circular outcomes. The model adopts a systems-thinking perspective, emphasizing that circular economy performance emerges from interconnected regulatory, organizational, and behavioral mechanisms rather than from isolated interventions.

Within the framework, policymakers play a foundational enabling role by establishing the institutional and regulatory conditions necessary for the

adoption of circular practices across industries. Policy instruments such as environmental regulations, circular public procurement, financial incentives, infrastructure development, extended producer responsibility schemes, value chain management policies, and public–private partnerships reduce uncertainty and align economic incentives with sustainability objectives. These instruments contribute to the implementation of circular business activities by encouraging the use of recyclable materials, facilitating collaboration platforms, assigning responsibility for product life cycles, and supporting the redesign of value chains. Through these mechanisms, policy interventions act as catalysts for organizational transformation toward circularity.

Businesses occupy a central position in the framework, translating policy signals and consumer expectations into strategic and operational circular practices. The model highlights the importance of integrating circular principles into corporate strategy and implementing circular business models supported by knowledge management, industrial symbiosis, closed-loop supply chains, and digital technologies. These practices enable firms to reduce resource consumption, increase material reuse, and improve inventory and resource flow efficiency. Education and awareness campaigns further support the diffusion of circular practices by shaping stakeholder understanding and engagement. Collectively, these business activities contribute to corporate sustainability by generating economic value, fostering innovation, and improving environmental performance, thereby reinforcing companies' long-term competitiveness within a circular system.

Consumer behavior represents a critical mediating dimension within the framework, influenced by both business-driven interventions and individual-level characteristics. Through education, communication strategies, and the application of neuromarketing tools, businesses shape consumer perceptions and decision-making processes, encouraging pro-environmental consumption patterns. Consumers' green attitudes, environmental awareness, and knowledge play a decisive role in determining engagement in circular practices, including refusal, rethinking, reduction, reuse, repair, refurbishment, remanufacturing, and recycling. Active consumer participation strengthens circular business models by creating demand for sustainable products and services and by supporting recycling and reuse processes that close material loops.

The interaction between business practices and consumer behavior leads to operational outcomes such as reduced resource consumption, optimized resource flows, efficient inventory management, and enhanced recycling and reuse. These outcomes generate value for firms while simultaneously contributing to broader circular economy objectives. At the system

level, the cumulative effects of coordinated policy support, circular business implementation, and responsible consumer behavior result in knowledge optimization, improved planning and operational efficiency, enhanced value chain management, economic value optimization, and increased innovation and development.

The framework further acknowledges the presence of feedback mechanisms, whereby improved circular economy outcomes reinforce policy learning, strategic business adaptation, and consumer awareness. In this way, the model captures the dynamic and iterative nature of the circular economy transition, highlighting the importance of continuous interaction and collaboration among key stakeholders.

By integrating policy instruments, managerial practices, and behavioral factors into a single analytical structure, the framework provides a comprehensive explanation of how strategic collaboration can effectively enhance circular economy performance.

5.6 Conclusion

The transition to a circular economy represents a complex and multidimensional process that requires the coordinated action of policymakers, businesses, and consumers. Governments play a pivotal role in creating a supportive institutional and regulatory environment that encourages the adoption of circular practices across industries. Policy instruments, including environmental regulations, public procurement policies, extended producer responsibility schemes, financial incentives, and public–private partnerships, act as enablers, aligning economic incentives with sustainability objectives while reducing uncertainty for businesses. By integrating these mechanisms into existing governance frameworks, governments can facilitate innovation, promote collaboration, and accelerate the systemic adoption of circular practices.

Businesses are central to operationalizing the circular economy, translating policy directives and market signals into tangible strategies and practices. The adoption of circular business models, supported by knowledge management, industrial symbiosis, closed-loop supply chains, and digital technologies, enables firms to optimize resource flows, reduce material consumption, and increase the efficiency of production and distribution processes. Strategic alignment of business models with sustainability objectives fosters long-term competitiveness while simultaneously contributing to environmental and social goals. Furthermore, collaboration between businesses and other ecosystem actors, including suppliers, research institutions, and

industry associations, strengthens the collective capacity to innovate and implement circular solutions.

Consumers serve as both drivers and enablers of circular practices, with their behavior influencing production, consumption, and end-of-life management of products. Education, awareness campaigns, and the application of neuromarketing and communication tools can shape consumer perceptions and encourage pro-environmental behavior, including reduction, reuse, repair, refurbishment, and recycling. Active consumer participation not only supports the creation of demand for circular products and services but also completes the material loops essential for the functionality of the circular economy.

The interaction among policymakers, businesses, and consumers generates cumulative outcomes that extend beyond individual actors. These include optimized resource utilization, enhanced operational and supply chain efficiency, improved environmental performance, and strengthened economic value creation. Dynamic feedback mechanisms within the system, such as policy learning, strategic business adaptation, and growing consumer awareness, reinforce circular outcomes and ensure the iterative improvement of practices.

Ultimately, achieving the full potential of the circular economy requires a systemic, integrated, and adaptive approach. Continuous collaboration, innovative business strategies, comprehensive policy support, informed consumer engagement, digital transformation, and robust infrastructure are all critical components. By embracing these elements, stakeholders can collectively advance sustainability, reduce environmental pressures, and create resilient economic and social systems that benefit present and future generations.

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PART II

Understanding Consumer Behaviour and Society

6

Bridging Consumer Perceptions and Circular Economy Efficiency: Evidence from a Post-Transition EU Economy

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Abstract

In a post-socialist EU context (Bulgaria), this study examines how consumer perceptions and socio-economic factors influence engagement with the circular economy (CE). Building on a seven-domain framework and integrating recent consumer-CE literature, we conducted a survey of Bulgarian adults (N=629, Summer 2025) measuring CE awareness, perceived barriers, motivations, trust in institutions, social norms, and self-reported sustainable behaviors, with recruitment guided by key demographic characteristics. Multivariate analyses show that higher institutional trust and stronger pro-environmental social norms significantly increase the likelihood of engaging in circular practices (roughly doubling and 1.5-fold the odds, respectively), even after controlling for demographics, whereas perceived financial and convenience barriers substantially reduce CE adoption. Awareness and intrinsic motivation had positive but more modest effects. These findings imply that policy efforts should extend beyond raising awareness to foster credible, trust-building communication and community support. For example, transparent sustainability initiatives and social marketing can leverage normative influences to convert positive attitudes into

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action. The authors acknowledge limitations including the cross-sectional design, voluntary sample bias, and the study's focus on Bulgaria, which may constrain generalizability. Overall, this study highlights the critical roles of institutional trust and social influence in enhancing circular economy uptake in transitional economies.

6.1 Introduction

The transition to a circular economy (CE) depends not only on technological innovation but critically on consumer awareness, trust, and behavior. Prior studies indicate that consumer attitudes and knowledge are among the most influential factors driving sustainable decision-making (Vidal-Ayuso et al., 2023). However, gaps remain in understanding how psychological barriers and social factors shape CE engagement. Recent research emphasizes that psychological barriers like cognitive overload and skepticism can significantly hinder awareness and pro-circular behaviors, whereas social influence can positively spur engagement (Gonella et al., 2024). At the same time, consumer trust is fragile – authentic sustainability practices enhance trust and brand value, whereas greenwashing or misleading claims erode consumer confidence (Agarwal et al., 2025). These insights underscore the need to examine consumers' perceptions (awareness and trust) alongside behavioral barriers in a specific context.

This study focuses on Bulgaria – a post-socialist EU country where environmental awareness is rising but practical adoption of CE practices remains limited (Pantcheva, 2023). We build on a seven-domain framework encompassing consumer awareness, knowledge, social norms, trust, perceived barriers, incentives, and behaviors. By surveying Bulgarian consumers, we aim to bridge the gap between consumer perceptions and CE "efficiency", i.e. the effective uptake of circular practices, providing evidence on how awareness, trust, and barriers interact to influence behavior. In doing so, this research offers updated empirical findings in a transitioning economy and integrates recent literature on consumer behavior in the CE to inform strategies for sustainable consumption.

6.2 Literature Review

The CE concept has been linked to consumer decision-making, yet systematic reviews note that attitude and knowledge remain central predictors of pro-CE behavior. For example, Vidal-Ayuso et al. (2023) report that attitude and knowledge are the most influential elements in the consumer's buying

decision-making process. At the same time, social and psychological factors play crucial roles. Gonella et al. (2024) introduce a behavioral choice framework showing that psychological barriers (e.g. cognitive overload, skepticism, perceived high costs) impede CE engagement, but social influence (from friends, family, media) can mitigate these barriers and boost CE awareness.

Institutional trust is another key domain. When firms or authorities demonstrate authentic environmental commitment, consumer trust and brand value rise; conversely, greenwashing damages trust. For instance, Agarwal et al. (2025) find that genuine sustainability branding enhances long-term brand value, while misleading sustainability claims weaken consumer trust. Alsaggaf (2025) similarly reviews 40 studies and concludes that greenwashing weakens consumer trust, reduces brand value, and hinders progress toward sustainability goals.

Social norms and incentives also influence behavior. Consumers often look to peers and leaders for cues on sustainable living. Studies (Gonella et al., 2024) suggest that positive social norms (recycling behavior by friends/neighbors) correlate with higher individual engagement, whereas lack of community support dampens it. Economic incentives (subsidies, tax breaks) have mixed effectiveness, while perceived high prices remain a major barrier (Pantcheva, 2023).

Finally, the Eastern European context is important. Vajda and Drăgan (2023) note that CE discourse in post-transition EU countries faces unique challenges (policy fragmentation, limited waste infrastructure). In Bulgaria specifically, Pantcheva (2023) emphasizes that even though many citizens care about the environment, actual recycling rates and reuse practices are low due to gaps in policy implementation and awareness. We thus situate our seven-domain framework within this national setting, extending theories like Ajzen's (1991) Theory of Planned Behavior (TPB) by integrating trust and social factors into pro-environmental intent and action.

6.3 Theoretical Framework

We adopt a consumer-centric framework grounded in seven domains: awareness of CE principles; self-reported behaviors (recycling, repair, sharing, reuse); motivational drivers (intrinsic and extrinsic); trust in government and businesses; cultural and social norms; visibility and comprehension of policies; and economic attitudes, including perceptions of cost and incentives. These domains span micro-level cognition, meso-level social influences and policy communication, and macro-level institutional and economic

conditions. Figure 6.1 illustrates the interconnections among these domains: awareness and motivation feed into behavior, which is moderated by social norms and institutional trust, and shaped by policy communication and economic incentives.

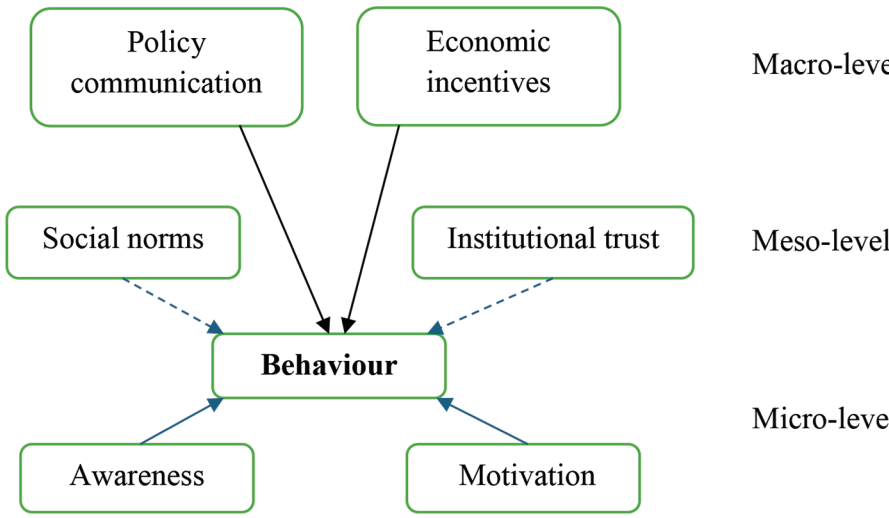

Figure 6.1 Interconnections among the seven domains

6.4 Methodology

A structured questionnaire was designed to operationalize the seven domains, based on prior CE adoption and consumer behavior scales (e.g. Geissdoerfer et al., 2017; Kirchherr et al., 2018) and theories of sustainability and institutional trust. It combined multiple-choice and five-point Likert items with a few open-ended questions. The instrument was piloted for clarity and then administered between July and August 2025. Prior to launch, the survey was reviewed by CE scholars and piloted with 14 Bulgarian respondents (convenience sample) to test clarity and reliability. The pilot confirmed that questions were understood and that all scale items were loaded consistently. Cronbach's alpha for multi-item constructs (e.g. trust, social norms) exceeded 0.70, indicating satisfactory internal consistency (Podsakoff et al., 2012). Open-ended responses were coded thematically by two independent researchers; inter-rater agreement was high (Cohen's $\kappa \approx 0.78$, indicating substantial agreement per Landis & Koch, 1977), with any coding discrepancies resolved through discussion.

The target population was Bulgarian adults (age ≥ 18). Using recent National Statistical Institute (NSI) data, we set quotas on age, gender, education, and region to match national demographics. An online survey was distributed via stratified channels over four weeks (July–August 2025), including social media groups, email lists, university forums, and QR-code posters in public venues (eco-markets, universities, etc.). Although the survey was open-access, we estimate the link reached ~7,000 individuals; 653 respondents began the survey and 629 provided valid, complete responses (yielding a completion rate of ≈96%). The effective sample of 629 gives a 95% confidence level with ±5% margin of error for Bulgaria's ~5.5 million adults (Krejcie & Morgan, 1970).

We tracked response metrics: about 70% of those who opened the survey consented and completed all sections. Item-level completion was >95%. To assess non-response bias, we compared early and late responders on key demographics and found no significant differences (e.g. gender, age distribution $p>0.20$), suggesting self-selection effects were limited. Still, we acknowledge the voluntary nature may favor more motivated or CE-interested individuals.

All respondents gave informed consent and participated anonymously. The study was approved by the relevant ethics board (Ref. 174877, Sikt, July 8, 2025). No personal identifiers were collected.

6.5 Results

6.5.1 Sample profile

The final sample of 629 adults broadly matched Bulgarian population statistics. As shown in Table 6.1, 52% were female (national ratio ≈52%), and age brackets (18–29: 21%; 30–44: 32%; 45–59: 28%; 60+: 19%) roughly paralleled NSI data (15–29: 16%; 30–44: 22%; 45–59: 26%; 60+: 36%), except for a less close match in the 60+ group. Educational attainment was slightly higher than average: 36.6% held a university degree versus ~37% in the labor force. Employment status was broadly comparable (58% employed vs. national 53%; students/unemployed 18% vs. 26%; retirees 10% vs. 20%). Urban/rural split was 71%/29%, matching the country's 73/27 ratio.

Awareness and Knowledge (Domain 1). A clear majority (59.1%) reported having heard of the "circular economy" concept (95% CI: 55.3–62.9%). This awareness varied by education: 75% of respondents with higher education were aware versus only 42% of those with basic schooling (χ^2 test,

Table 6.1 Sample Demographics vs. National Population (NSI, 2025 data).

Variable	Survey % (N=629)	National % (Source)
Gender	Female 52%, Male 47%, Other/NA 1%	Female 51.9%, Male 48.1%
Age	18–29: 21%; 30–44: 32%; 45–59: 28%; 60+: 19%	15–29: 16%; 30–44: 22%; 45–59: 26%; 60+: 36%
Education	Higher education 37%; Secondary 54%; Basic/vocational 9%	Higher 36.6%; Secondary 54.1%; Lower 9.3%
Employment	Employed 58%; Self-employed 14%; Students/Unemployed 18%; Retired 10%	Employed ~53%; Self-employed ~6%; Students/Unemployed 26%; Retired 20%
Residence	Urban 71%; Rural 29%	Urban 73.7%; Rural 26.3%

Notes: NSI is Bulgaria's National Statistical Institute. Survey recruitment was guided by demographic characteristics. Minor differences in age groups arise from different age-bin definitions.

$p<0.01$). Likewise, younger adults (18–29) were more likely to have heard of CE (68%) than seniors (60+; 45%). Open-ended definitions (coded thematically) showed that most aware participants associated CE with recycling and waste reduction, but many had misconceptions (e.g. confusing CE with general environmentalism). These qualitative insights (e.g. quotes) enriched interpretation but are not detailed here due to space. Knowledge depth was modest: only 28% correctly identified key CE strategies (recycle, reuse) in multiple-choice items. The average self-assessed understanding of CE was slightly above neutral (mean=3.2 on a 5-point scale), indicating limited familiarity despite rising interest. These findings echo previous literature that highlights knowledge gaps in CE among consumers (Vidal-Ayuso et al., 2023).

Behavioral Practices (Domain 2). We measured self-reported frequency of four CE-aligned behaviors: recycling, repairing products, buying second-hand, and sharing/renting items. Overall, 83% reported recycling often or always (≥4 on a 5-point frequency scale), whereas only 24% often/always repaired products instead of discarding them. Purchase of used goods was uncommon: 70% said they never or rarely buy second-hand items. Lending/borrowing was also infrequent (78% rarely do it). The mean behavior index (average of the four items, range 1–5) was 3.1 (SD=0.9), indicating moderate CE adoption. Confidence intervals for these proportions are narrow (e.g. recycling: 83.1%, 95% CI [79.7–86.5%]; repairing: 24.5%, 95% CI [21.0–28.0%]). Cross-tabulations showed that higher-income and urban

respondents engaged slightly more in CE behaviors ($p<0.05$ for income); gender differences were small.

Perceived Barriers and Incentives (Domain 3). Respondents identified several barriers to CE practices. The most cited obstacle (selected by 69%) was high cost of sustainable products (e.g. eco-goods, repair services). Lack of convenient facilities (recycling bins, repair shops) was noted by 54%. Concerning incentives, 62% said that clear financial incentives (grants, subsidies) would encourage them to adopt CE behaviors. Tax rebates and product-labeling schemes were also mentioned, but to a lesser extent. Statistical tests show that perceived barriers strongly correlate with behavior: for example, those who often cited "price too high" were 40% less likely to report frequent CE activities (χ^2, $p<0.001$). In other words, economic and practical barriers remain critical hindrances. These results align with Gonella et al. (2024), who emphasize psychological/practical barriers in CE awareness.

Institutional Trust and Social Norms (Domains 4–5). We assessed trust in businesses and government to promote CE. Only 21% of respondents agreed (4 or 5 on a 5-point scale) that firms are genuinely committed to CE, while 38% were neutral, and 41% disagreed. Similar skepticism was seen toward governmental policies: 18% trusted that public institutions effectively implement CE initiatives, 42% were neutral, and 40% did not trust them. Overall, institutional trust levels were low (mean trust score ≈2.6/5). We also asked whether respondents feel social pressure from friends/family to act sustainably. Here 46% agreed they feel such influence, 28% neutral, and 26% disagreed. Those reporting high social influence were significantly more likely to engage in CE behaviors (e.g. recycle or repair) than those feeling no social pressure ($p<0.01$). This supports the idea that social norms can spur CE engagement (Gonella et al., 2024).

Inferential Analysis: Testing the 7-Domain Framework. To assess the relative impact of each domain on CE behavior, we ran an ordinal logistic regression predicting respondents' overall behavior index (coded into an ordinal scale from low to high engagement). Predictors included standardized scores for awareness/knowledge, perceived barriers, trust (combined business and government), social norms, and personal incentives/motivation. Demographics (age, gender, education, income) were controlled.

Key findings (Odds Ratios, 95% CI): Institutional trust emerged as a significant positive predictor (OR≈1.8, 95% CI [1.3–2.5], $p<0.01$), indicating that a one-standard-deviation increase in trust multiplies the odds of higher CE engagement by ~1.8. Social norms (perceived peer influence) also

had a positive effect (OR≈1.5, CI [1.1–2.0], $p<0.05$). In contrast, barriers (especially financial and convenience barriers) had a strong negative effect (OR≈0.6, CI [0.4–0.8], $p<0.001$) – consumers reporting more barriers were much less likely to engage. Awareness/knowledge had a modest but significant positive effect (OR≈1.3, CI [1.0–1.7], $p<0.05$). The model's pseudo-R^2 was 0.27, indicating that these domains jointly explained a substantial portion of variance in CE behavior.

These multivariate results demonstrate that trust and social influence meaningfully moderate consumer engagement: aligning with prior findings that authentic sustainable branding enhances brand value while greenwashing undermines it. In our data, controlling for all else, a one-unit trust increase (on 5-pt scale) corresponded to roughly 50% higher probability of frequent recycling. Conversely, consumers who saw high barriers (e.g. reported often avoiding eco-friendly options due to cost) had dramatically lower CE adoption (effect size $\beta\approx-0.31$, $p<0.001$).

All effects above were significant at the 0.05 level (Wald χ^2 tests), and 95% confidence intervals did not cross the null. We also estimated an Alternative Model using structural equation modeling (SEM) to confirm these relationships, with similar conclusions. In summary, the regression/SEM tests support our framework: while awareness and incentives matter, institutional trust and normative influences significantly moderate the translation of awareness into action.

For clarity, Table 6.2 summarizes mean ratings, standard deviations, and 95% confidence intervals for key influencing factors.

Table 6.2 Importance of influencing factors.

Factor	Mean	SD	95% Confidence Interval
Price	3.54	1.27	[3.44, 3.64]
Convenience / Time	3.60	1.21	[3.51, 3.70]
Quality	3.83	1.16	[3.74, 3.92]
Ecological Benefit	3.65	1.24	[3.55, 3.74]
Social Approval	2.49	1.31	[2.39, 2.60]

Note: Ratings on a 1–5 scale: higher = more important. Mean values (1–5 scale), standard deviations, and 95% confidence intervals are shown. These data come from the questionnaire described in the manuscript.

As Table 6.2 shows, Quality is rated highest on average (mean≈3.83), followed by Ecological Benefit (≈3.65), Convenience/Time (≈3.60), Price (≈3.54), and lastly Social Approval (≈2.49). Lower mean for Social

Approval indicates it is generally seen as less important. These values are consistent with the overall finding that practical attributes (quality, convenience) and environmental impact are stronger motivators than social factors.

6.6 Discussion

The findings shed light on the gap between CE perceptions and uptake in a transitioning EU economy. Bulgarian consumers show moderate awareness (≈59% have heard of CE) but shallow knowledge (few fully grasp the concept), reflecting similar patterns in other studies (Vidal-Ayuso et al., 2023; Pantcheva, 2023). Importantly, even aware consumers often face psychological and structural barriers: high costs and inconvenience remain chief obstacles. This aligns with literature emphasizing cost and cognitive barriers in CE adoption (Gonella et al., 2024).

Our multivariate analysis confirms that simply raising awareness is insufficient: institutional trust plays a critical role. Echoing Agarwal et al. (2025), we find that consumers who perceive government and businesses as genuinely committed to sustainability are far more likely to participate in CE activities. Conversely, distrust (stemming from experiences of corruption or greenwashing) likely dampens engagement. This has practical implications: policies and marketing must build credibility (e.g. through transparency, third-party certification) to convert awareness into action.

Social norms also emerged as a significant driver. Those who feel community pressure to recycle or repair are more engaged, consistent with TPB-like models. This suggests leveraging social networks and "green influencers" (Conte et al., 2025) could accelerate behavior change.

We have applied statistical modeling to quantify domain effects, rather than purely descriptive surveys. The ordinal regression results provide effect-size estimates and confidence intervals, enhancing interpretability. For example, the odds ratios give concrete meaning: trust had an odds ratio of ~1.8 for CE engagement (95% CI [1.3–2.5]). These inferential details strengthen the explanatory power of the framework.

Our results are consistent with recent consumer–CE literature. For instance, Anderluh et al. (2025) also used a representative survey (in Austria) and found that behavioral intentions were significantly predicted by awareness and social factors, as we observe. Likewise, Agarwal et al.'s (2025) review on green marketing confirms the importance of authentic communication in maintaining consumer trust.

6.7 Limitations and Contextual Notes

Several limitations should be acknowledged. First, the study is cross-sectional, capturing perceptions at one point (summer 2025). Changing economic conditions or major policy reforms (e.g. post-2025 waste laws) could alter attitudes, so our findings may lose temporal validity over years. Longitudinal tracking would be valuable.

Second, self-selection and self-report bias are concerns. Our sample, though demographically balanced, was convenience-based online, which may oversample environmentally conscious individuals. Even with quota checks, unmeasured differences (e.g. greater internet access) could skew results. For example, rural or older citizens without internet access might be underrepresented, possibly overestimating awareness and recycling rates.

Third, generalizability beyond Bulgaria is limited. Bulgaria's context (a post-socialist legacy of low institutional trust and underfunded waste management) differs from Western EU nations. Indeed, the Eurobarometer consistently finds Bulgarians are among the most distrustful of the government. This pervasive distrust may amplify the trust effects we observe. Thus, while the seven-domain framework is broadly applicable, the specific effect sizes are country-specific. Future research should replicate this model in other transitional economies (e.g. Romania, Poland) to compare contextual influences.

Finally, the survey instrument, while piloted, may not capture all nuances of CE engagement, e.g. informal reuse practices. Qualitative data (open comments) hinted at cultural factors (socialist-era habits of thrifty reuse) that our quantitative measures may not fully capture. These qualitative insights were not deeply analyzed here but could enrich understanding.

6.8 Policy Recommendations

Comprehensive communication. Develop public campaigns and educational programs that explain the full range of circular practices in simple terms. Collaborate with schools and community organizations to normalize repair and reuse.

Support for reuse and repair. Invest in networks of repair cafés, tool libraries and sharing platforms. Provide online directories of certified repairers and second-hand retailers.

Transparency and trust. Publish regular data on waste management outcomes and spending. Encourage third-party certification of corporate circular claims. Involve citizens in monitoring programs.

Targeted incentives. Introduce deposit schemes for durable goods, tax credits for repair services and subsidies for high-quality, repairable products. Design incentives to benefit low-income households.

Social marketing. Use influencers and social marketing to reposition repair and second-hand consumption as responsible and fashionable. Highlight success stories and role models.

Policy integration. Ensure that national strategies are communicated clearly to citizens and implemented consistently across municipalities. Align extended producer responsibility regulations with consumer rights.

6.9 Conclusion

This study's results demonstrate that in Bulgaria, consumer CE engagement is jointly determined by awareness, trust, social norms, and barriers. Policymakers should note that building institutional trust and community support may be as crucial as raising awareness. Authentic, credible sustainability initiatives (in line with Agarwal et al., 2025) will likely have the greatest impact on closing the gap between consumer perceptions and the circular economy efficiency in transitional economies.

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7

The Impact of Cultural Codes on Circular Economy Efficiency in the Context of SDG 12

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Abstract

This study examines the influence of cultural codes and behavioral factors on countries' achievement of SDG 12 (responsible consumption and production) as an integral component of the transition to a circular economy. While existing research largely emphasizes techno-economic drivers, this study highlights the overlooked role of cultural codes and value orientations. Using data from 78 countries, we apply a two-stage methodology combining multiple regression analysis with cluster analysis and Zhuravlev's discrete modeling algorithm to evaluate both the direction of influence and the structural significance of cultural indicators. The results reveal a robust and statistically significant negative relationship between SDG 12 achievement and key development and cultural indicators (such as individualism, long-term

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orientation), Human Development Index, and Global Innovation Index, suggesting that socio-economic progress and innovation often correlate with higher material footprints. Initial hypotheses expecting positive effects from individualism and long-term orientation were rejected. Cluster analysis identified three country groups based on SDG 12 scores. Testor analysis indicates that power distance, individualism, uncertainty avoidance, and long-term orientation are the most structurally important cultural factors differentiating countries within clusters. These findings underscore that cultural codes shape not only organizational environments but also consumption behaviors and societal readiness to adopt circular practices. Finally, achieving SDG 12 requires the synergy of institutional efficiency, technological solutions, and culturally anchored environmental responsibility.

7.1 Introduction

The 17 global goals that underpin the 2030 Agenda, adopted by the UN in 2015, have become a guiding principle for global development, encompassing all the spheres of social, economic, and environmental development. However, the SDGs 2025 report (Sachs et al., 2025) shows that while real progress has been made in the last decade in areas such as education, health, digital access, and renewable energy, the implementation of the SDGs is not sufficient to fully achieve them by 2030. Poverty, hunger, inequality, climate crisis, and resource scarcity continue to hinder progress (Fonseca et al., 2020).

Although the SDGs aim to combine economic development and environmental sustainability, the often-occurring conflict between these two goals hinders sustainable progress, as it requires certain compromises. When economic growth is based on intensive use of resources and environmental constraints are tightened, countries face difficult choices, which slow down the pace of SDGs implementation. This incomplete progress particularly highlights the importance of SDG 12, since it is impossible to achieve sustainable and inclusive development without responsible consumption and production.

SDG 12 is closely interlinked with many other sustainable development goals, since sustainable consumption and production directly affect environmental health, economic development and social well-being. The essence of SDG 12 lies in balancing economic growth, environmental protection and social well-being by transforming current models of production and consumption. It requires both systemic changes (industry, government) and responsible behavior by consumers and society. In this context, consumer rights and protection play an important but often underestimated role.

Table 7.1 Key SDG 12 targets aligned with CE.

SDG 12 Target	CE Principle	Explanation
12.2 Sustainable management of natural resources	Resource efficiency	Reduce raw material extraction and close resource loops.
12.3 Halve global food waste	Reduce waste	Prevent waste at production and consumption stages.
12.4 Manage chemicals and waste	Safe cycles	Ensure safe circulation of materials without harmful substances.
12.5 Reduce waste generation	Keep materials in use	Increase reuse, recycling, repair, remanufacturing.
12.6 Sustainability reporting	Transparency	Companies disclose circularity practices and impacts.
12.7 Sustainable public procurement	Circular procurement	Governments purchase circular and low-waste products.
12.8 Awareness and education	Behavior change	Encourage circular lifestyles and consumption patterns.

Responsible consumption implies not only individual awareness, but also institutional safeguards that protect consumers from limited or incomplete information and unsustainable products. Without effective consumer protection frameworks, the transition to circular consumption patterns remains fragmented and largely voluntary, which weakens the social dimension of Sustainable Development Goal 12.

All this shows that ensuring sustainable consumption and production is not possible without a profound transformation of the economic model. From this perspective, the circular economy gains importance, offering a new logic of resource use, reducing waste, extending product life and ensuring a closed loop of material flows. At the policy level, the circular economy is explicitly framed as a key pathway to deliver SDG 12, since SDG 12 indicators (resource productivity, material footprint, circular material use) overlap with core CE metrics.

However, the link between the Circular Economy and SDG 12 can also be presented as mutually reinforcing, since SDG 12 is the political and strategic goal that promotes the development and implementation of a circular economy model. To clarify the conceptual link between SDG 12 and circular economy principles, Table 7.1 summarizes the key SDG 12 targets that are directly aligned with core CE dimensions.

Despite the SDG targets and the multi-faceted policies promoting the circular economy, the level of circularity has declined globally. According

to global data, only 6.9% of the materials used annually worldwide come from recycled sources by 2025, according to the Circularity Gap Report 2025 (Circularity Gap Report, 2025). This finding indicates that current efforts, despite certain achievements, remain insufficient. It is a concerning signal that calls for a deeper examination of underlying causes, identification of contributing factors, and reinforcement of measures that can genuinely increase circularity. It is important to note that awareness-raising and education (Target 12.8) cannot be effective without transparent information and protected consumer rights. Consumer protection mechanisms ensure that people can make informed choices by providing access to reliable product information, eco-labels, and protection from misleading environmental claims. Consumer rights thus serve as a prerequisite for behavioral change toward circular consumption.

Studies by Campoli, et al. (2024) and Wackernagel, et al. (2017) show that high-income countries score high on the SDG Index overall, but the same countries often score low on SDG 12 because their material footprint, waste generation, and consumption levels are very high.

We also conducted a correlation analysis between SDG 12 and various development indicators, and the results confirm that not only GDP (Gross Domestic Product), but also HDI (Human Development Index), GII (Global Innovation Index), and other SDG performance indicators exhibit a negative correlation with SDG 12 (Responsible Consumption and Production), This finding underscores that economic and social development is often accompanied by higher levels of consumption, larger material footprints, and less sustainable production–consumption patterns, which in turn lead to lower SDG 12 scores—even for countries with overall high levels of human development and innovation capacity.

This inconsistency is called the circularity paradox (Angelis, 2020), a situation where economically advanced countries create advanced circular solutions but also consume so much that they still score low on SDG 12. To eliminate this inconsistency, it is necessary not only to change policies and behaviors, but also to redistribute research priorities and deepen international cooperation to reduce the negative consequences of economic development, which can stimulate the transition from a linear to a circular economic model. In recent years, particularly in the context of transforming economic models, increasing attention has been paid to the influence and importance of behavior, cultural codes, and social norms, and many scholars have examined their effects on economic development (Small et al., 2010; Sargsyan & Martirosyan, 2024; Sargsyan et al., 2026). Auzan and co-authors emphasize



Figure 7.1 Correlation matrix of SDG 12 and various development indicators (GDP-Gross Domestic Product, HDI -Human Development Index, GII -Global Innovation Index, SDG-Sustainable Development Index).

in their work that socio-cultural factors have a multi-level and multifaceted impact on the sustainability of a country's development. For example, cultural norms, value orientations, and attitudes shape the level of social capital, which directly influences institutional quality, societal trust, and the willingness of individuals and groups to cooperate (Auzan et al., 2020).

Our claim is that the establishment of the CE model, which is manifested in particular by the effective implementation of SDG 12, depends not only on the institutional system, technological solutions, but also on the behavioral readiness of society and cultural codes. For example, one of the components of the Circular Economy -recycling and reuse- often involves mental and behavioral barriers.

The purpose of this study is to identify and assess the impact of selected cultural and behavioral indicators on the development of the circular economy within the context of SDG 12 implementation. To achieve this goal, we conducted a clustering analysis of countries and examined the extent to

which cultural codes influence the formation of country clusters based on SDG 12 performance.

7.2 Literature Review

A review of existing studies show that interest in the introduction and implementation of a circular economy has been steadily increasing year by year, both in business and academic circles. Many publications analyze that the transition to a circular economy as one of the key pathways for achieving SDG 12 and examine how the CE model contributes to the accomplishment of the SDGs in general and SDG 12 in particular (Schröder et al., 2024, Milošević et al., 2025, Filho et al., 2025).

Most of the existing studies focus on macroeconomic policies, technological innovations and industrial models, while relatively little attention is paid to identifying and assessing the impact of socio-cultural values, perceptions and behavioral norms of society. Yet Huntington's civilizational approach (Huntington, 1996) and the joint analysis by Harrison and Huntington (Harrison & Huntington, 2000) demonstrate that considering cultural codes plays an important role in explaining differences between global development models. They distinguish between "advanced" and "traditional" cultures, arguing that progressive ones are prone to innovation and democracy, which can contribute to the adoption of responsible consumption patterns. Schwartz's value theory (Schwartz, 2006) complements this analysis by emphasizing that cultures that demonstrate concern for the well-being of others and the environment are more willing to move to new development models. The work of Primc and co-authors builds on Schwartz's theory, highlighting how such values shape patterns of environmentally responsible behavior (Primc et al., 2021). Cultural values, as measured by Hofstede's indices (Hofstede Insights, 2024), have a significant impact on the economic and social development of countries, but a deeper analysis is needed to understand how the cultural codes of a society, in particular Hofstede's cultural dimensions, affect the level of responsible consumption and production in different countries. The present study aims to fill existing gaps by addressing two main research questions:

RQ1: What is the direction of the influence of cultural codes on responsible consumption and production?

RQ2: Which cultural and socio-economic indicators are structurally the most significant in shaping clusters of countries with similar levels of responsible consumption and production?

7.3 Methodology

The research was conducted in two stages. Firstly, to conduct a comprehensive analysis of the impact of socio-economic and cultural indicators on SDG12, a regression analysis was conducted on data from 78 countries. The number of countries was determined by the availability of Hovstede cultural indicators, and the latest available data for the year was selected. In the second stage of the research, the importance of indicators by country was assessed using cluster analysis and discrete modeling.

To identify the distinguishing features of countries within clusters, the testor method based on Zhuravlev's algorithm was applied (Zhuravlev, 1978; Zhuravlev et al., 2014). This algorithm is based on the concepts of test and typical testors, which serve as fundamental constructs for solving recognition and classification problems. A test is a subset of features that distinguishes objects from different classes - no two objects from different classes are identical when restricted to those features. A typical testor is a minimal or irreducible test: it is a test such that removing any single feature from it causes it to no longer be a test (i.e., some objects from different classes become indistinguishable).

The process consists of two steps:

1. We identify all combinations of features by which countries have completely different "profiles" (that is, each country can be uniquely recognized).
2. We calculate the information weights of the features by counting how often each feature occurs in the dead-end tests.

Information weight is the frequency of appearance of the feature/number of all dead-end tests.

Thus, features with high information weights are most often found in the minimum combinations that distinguish countries, and therefore, they are considered the most important cultural dimensions of differentiation of countries in a given cluster. In other words, they represent the most probable cultural "pillars" that effectively group these countries into their respective clusters.

This two-stage approach is driven by the need to:

- identification of factors that have a statistically significant influence on the level of achievement of SDG 12;
- assessment of the strength and direction of this influence;
- understand which groups of countries demonstrate similar profiles according to SDG 12 performance and the transition to progress toward

the Circular Economy, and identify typological differences between them,

- to understand which specific cultural indicators are key to differentiating countries, which will allow to determine the most critical combinations of features that shape the quality of behavior promoting responsible consumption and production;
- find the most typical country in each cluster (centroid approach), which best represents the entire group of countries, taking into account the informational importance of the features. (The country with the minimum distance to the centroid is selected. This country is considered the most typical for the cluster).

The study employs the following groups of variables:

1. As the dependent variable, SDG 12 indicators were used, obtained from the Sustainable Development Report 2025.
2. As socio-economic well-being indicators, the following variables were considered: the Human Development Index (HDI), the Global Innovation Index (GII), and the overall SDG Index Score. (Sustainable Development Report 2025, GDP per capita (constant LCU) | Data, HDR25_Statistical_Annex_HDI_Table.xlsx, Environmental Performance Index by Country 2025, World Development Indicators | DataBank)
3. As cultural indicators, Hofstede's cultural dimensions were used. (Hofstede Insights, 2024).

- **Power Distance (Power_Dist)-**Shows how easily a society accepts that people have unequal power—there are strict leaders and subordinates, and this hierarchy is considered normal.
- **Individualism vs. Collectivism (Individualism)-**Shows whether people are more driven by personal goals or by the interests of the group/society.

  Individualism - the "I" is emphasized,

  Collectivism - the "We" is emphasized.
- **Long-Term Orientation (Long_Term_Orient)-**Shows whether a society thinks about the future, development, and long-term plans, or focuses on traditions and quick results.

- **Masculinity vs. Femininity-**Shows whether a society values competition, success, and strong achievement (masculinity) or cooperation, care, and quality of life (femininity).
- **Uncertainty Avoidance (Uncertainty Avoidance)-**Shows how much anxiety arises from uncertain, new, or unpredictable situations.

  High index - people prefer strict rules and predictability.
- **Indulgence vs. Restraint (Indulgence)-**Shows how much a society allows enjoying life, pleasures, and freedom.

  High index - more open and free,

  Low index - more restrictive, "one must restrain oneself" approach.

The following hypotheses were tested:

H1: Countries with higher levels of individualism demonstrate better performance on SDG 12.

H2: Countries with higher levels of Long-Term orientation demonstrate better performance on SDG 12.

H3: Countries with lower levels of power-distance demonstrate better performance on SDG 12.

7.4 Results

1. ***Regression Analysis***
   To assess the relationship between cultural and socio-economic factors and the achievement of SDG 12, three multiple regression models were estimated using different combinations of explanatory variables. The models include key cultural dimensions (individualism, power distance, long-term orientation) and development indicators (HDI and GII). Table 7.2 summarizes the regression results. Across all specifications, the dimensions Masculinity vs. Femininity, Uncertainty Avoidance, and Indulgence were found to be statistically insignificant and were therefore excluded from the final models.

To ensure the statistical adequacy and reliability of all three models, the Breusch–Pagan–Godfrey heteroskedasticity test, the Ramsey RESET test, and the VIF test were performed. These diagnostics confirmed that the

Table 7.2 Regression results for designed models.

Variables	Model 1 SDG12	Model 2 SDG12	Model 3 SDG12
INDIVIDUALISM	**–0.182**		**–0.48**
HDI	**–104.75**		
POWER_DISTANCE		**+ 0.166**	
GII		**–0.697**	
LONG_TERM_ORIENTATION			**–0.116**
Constant	165.83	84.7	96.38
Included observations	67	68	78
R-squared	0.698	0.573	0.645
Adjusted R-squared	0.688	0.560	0.6363
Prob(F-statistic	< 0.0001	< 0.0001	< 0.0001
Durbin-Watson stat	1.83	1.86	2.01

models are statistically adequate and reliable. Therefore, the results can be considered robust and suitable for drawing substantive conclusions.

Model 1. GOAL12 = 165.83 - 0.182*INDIVIDUALISM - 104.75*HDI + ε

This model examines the joint effect of individualism and human development. The results show that both variables are negatively and statistically significantly associated with SDG 12 performance. A higher level of individualism is linked to lower responsible consumption and production outcomes, while higher HDI scores are associated with a substantial reduction in SDG 12 values. Given that HDI ranges between 0 and 1, this effect should be interpreted proportionally: a 0.1 increase in HDI corresponds to an approximate 10.5-point decline in the SDG 12 score.

Model 2. GOAL12 = 84.7 + 0.166*POWER_DISTANCE - 0.697*GII + ε

Model 2 focuses on power distance and innovation capacity. The Global Innovation Index exhibits a strong and statistically significant negative association with SDG 12, indicating that higher innovation levels tend to coincide with lower responsible consumption and production performance. In contrast, power distance shows a positive and statistically significant effect, suggesting that more hierarchical societies may find it easier to implement

centralized measures related to SDG 12. This combination highlights a paradoxical relationship between innovation, governance structures, and sustainable consumption outcomes.

Model 3. GOAL12 = 96.38 - 0.48*INDIVIDUALISM -0.116*LONG_ TERM_ORIENTATION + ε

Model 3 evaluates the combined influence of individualism and long-term orientation. Both variables display negative coefficients, with individualism exerting a strong and highly significant effect. Long-term orientation also shows a negative association with SDG 12, although at a lower level of statistical significance. Contrary to initial expectations, societies characterized by long-term planning and accumulation appear to prioritize economic growth over reductions in material consumption. Across all models, a consistent negative relationship between individualism and GOAL12 is confirmed. This indicates that a high level of individualism does not yet translate into sustainable consumption and production behavior, and that more collectivist societies tend to demonstrate better SDG 12 performance.

Taken together, the regression results reveal a consistent pattern: higher individualism, stronger innovation performance, and higher levels of socio-economic development are not automatically translated into responsible consumption and production outcomes. As a result, the hypotheses predicting positive effects of individualism, long-term orientation, and lower power distance on SDG 12 performance are not supported.

2. ***The importance of the influence of cultural codes according to the distribution of countries by clusters relative to goal12***

Since the variation in SDG 12 performance among the observed countries is very large, we conducted a cluster analysis. To determine the optimal number of clusters, the elbow method was used, and three clusters were identified.

Next, the average values of the Goal 12 indicator were calculated for each cluster.

Next, we identified which features were the most important for the countries within each cluster by applying the mathematical framework of testor theory (the Zhuravlev algorithm). The following results were obtained.

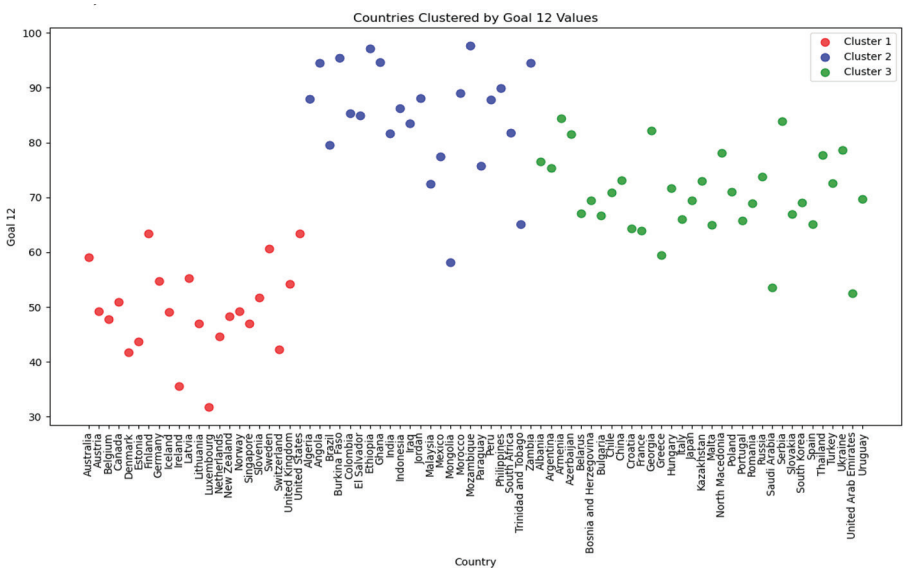

Figure 7.2 Visualization of country clusters by SDG12 values.

Table 7.3 The list of countries by clusters.

Cluster 1 (mean goal12= 49.56), 22 countries	Australia, Austria, Belgium, Canada, Denmark, Estonia, Finland, Germany, Iceland, Ireland, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Slovenia, Sweden, Switzerland, United Kingdom, United States
Cluster 2 (mean goal12= 84.72), 23 countries	Algeria, Angola, Brazil, Burkina Faso, Colombia, El Salvador, Ethiopia, Ghana, India, Indonesia, Iraq, Jordan, Malaysia, Mexico, Mongolia, Morocco, Mozambique, Paraguay, Peru, Philippines, South Africa, Trinidad and Tobago, Zambia
Cluster 3 (mean goal12= 70.53), 33 countries	Albania, Argentina, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Chile, China, Croatia, France, Georgia, Greece, Hungary, Italy, Japan, Kazakhstan, Malta, North Macedonia, Poland, Portugal, Romania, Russia, Saudi Arabia, Serbia, Slovakia, South Korea, Spain, Thailand, Turkey, Ukraine, United Arab Emirates, Uruguay

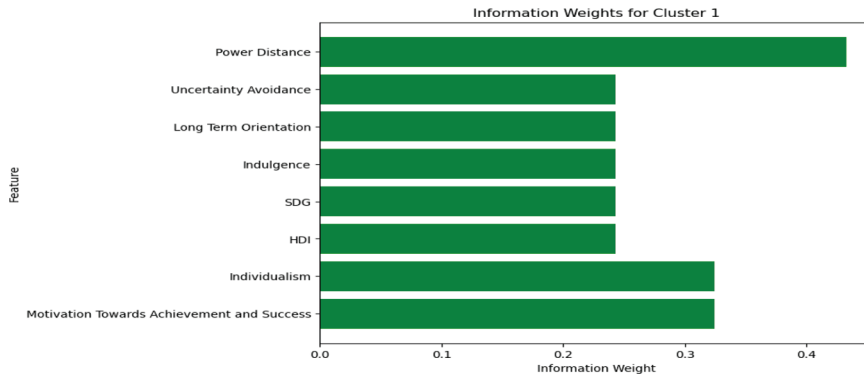

Figure 7.3 Distribution of information weights of the features in cluster 1.

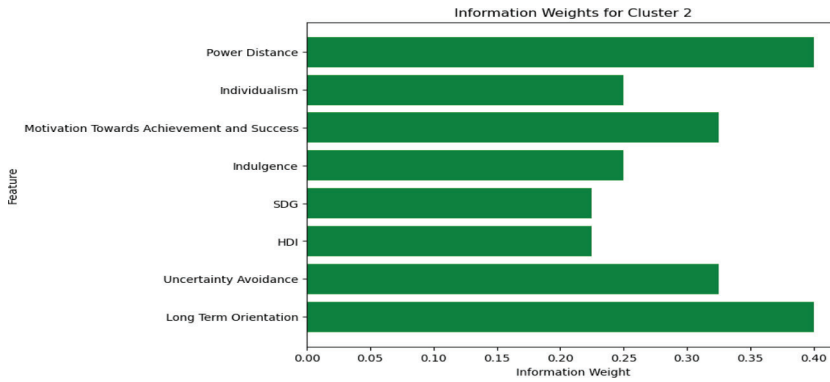

Figure 7.4 Distribution of information weights of the features in cluster 2.

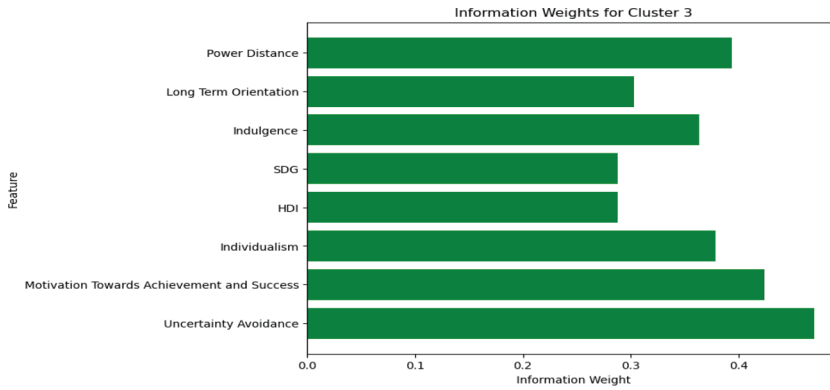

Figure 7.5 Distribution of information weights of the features in cluster 3.

The importance of the indicators for cluster formation (informational weights of the features) is presented in Table 7.4.

Table 7.4 Informational weights of the features.

Feature	Information weight in Cluster 1	Information weight in Cluster 2	Information weight in Cluster 3
Power Distance	0.4324	0.4000	0.3939
Uncertainty Avoidance	0.2432	0.2500	0.4697
Long Term Orientation	0.2432	0.4000	0.3030
Indulgence	0.2432	0.2500	0.3636
SDG Index Score	0.2432	0.2500	0.2879
(HDI)	0.2432	0.2500	0.2879
Individualism	0.3243	0.2500	0.3788
Motivation Towards Achievement and Success	0.3243	0.3250	0.4242

We also identified the most typical country in each cluster—the country that best represents the entire group, taking into account the informational importance of the features. (The country with the minimum distance to the centroid is considered the most representative of the cluster.)

The representative country for Cluster 1 is Canada - distance from centroid= 0.2722.

The representative country for Cluster 2 is Jordan - distance from centroid= 0.3316.

The representative country for Cluster 3 is Bulgaria - distance from centroid= 0.5189.

7.5 Discussion and Conclusion

The results obtained demonstrate a stable and statistically significant relationship between a society's cultural codes and its level of achievement of SDG 12. This confirms the need to go beyond traditional techno-economic analysis when assessing the transition to sustainable models of production and consumption. The findings confirm the existence of the circularity paradox: higher levels of socio-economic development and innovation do not automatically translate into responsible consumption and production. Instead, cultural codes such as individualism and long-term orientation appear to reinforce consumption-intensive lifestyles, limiting progress toward SDG 12.

This suggests that cultural readiness and behavioral norms play a decisive role alongside technological and institutional capacity.

The observed dynamics also align with the environmental Kuznets curve: increases in income and development at early stages lead to greater environmental pressure, and only after reaching a certain threshold do countries begin a gradual transition toward more effective environmental policies (Grossman & Krueger, 1995). The negative coefficients of HDI, GII, and the SDG Index indicate that many countries in the sample are still located on the upward segment of the curve—where economic progress is accompanied by an expanding material footprint.

Cluster analysis deepened this understanding. Countries in Cluster 1 (average SDG 12 score: 49.56) are characterized by low power distance, higher levels of individualism and achievement orientation, which in combination with institutional maturity facilitates the implementation of circular solutions. It is also important to note that countries often considered global leaders in environmental policy—Sweden, Finland, Denmark, Norway, Germany, Austria, the Netherlands, Estonia, demonstrate high performance in renewable energy, recycling, and waste management. In these areas, they are indeed closer to achieving SDG 12. Yet their SDG 12 scores remain relatively low, reflecting the circularity paradox: high levels of development, innovation, and consumption produce a substantial material footprint that even advanced environmental policies cannot fully offset. This illustrates that achieving SDG 12 depends not only on technologies and institutions but also on the transformation of behavioral and cultural models that shape consumption patterns. Cluster 2 (average score: 84.72) includes countries where traditional cultural norms and limited institutional capacity hinder environmental transformation. Cluster 3 (average score: 70.53) represents an intermediate group with high cultural heterogeneity; the most typical country, Bulgaria illustrates a mixed profile in which the positive influence of certain cultural factors is offset by constraints in sustainable consumption. Worth noting, that cultural readiness alone is insufficient without institutional empowerment of consumers. Consumer rights and protection frameworks translate cultural values into fair and practical circular consumption by ensuring product safety, durability, reparability, and truthful sustainability claims. They directly shape consumer-relevant outcomes such as repair and reuse behavior, waste prevention, sustainable purchasing, and access to circular services. Thus, consumer protection serves as a key interface between cultural codes and the effective implementation of circular economy principles.

Testor analysis showed that the key features determining similarity within clusters are power distance, individualism, long-term orientation, and

uncertainty avoidance. These findings underscore that cultural codes shape not only institutional environments but also consumption behaviors, influencing a society's readiness to adopt circular practices. Thus, a sustainable transition is impossible without taking into account the cultural foundations—systems of values, norms of economic behavior, and collective conceptions of rationality.

Overall, the study demonstrates that achieving SDG 12 requires the synergy of three components: institutional efficiency technological solutions and culturally anchored environmental responsibility.

Thus, the promotion of SDG 12 should include measures aimed at forming the cultural and behavioral readiness of society: educational programs based on local values; public campaigns strengthening the norms "don't throw away — but recycle"; and the development of collective practices of ecological behavior.

Several limitations of this study should be acknowledged. First, the analysis is conducted at the country level and relies on aggregated indicators, which does not allow for capturing heterogeneity in individual consumer behavior or intra-country cultural variation. Second, Hofstede's cultural dimensions, while widely used, represent relatively stable and generalized cultural traits and may not fully reflect dynamic changes in values related to sustainability and consumption. Future research could address these limitations by incorporating micro-level consumer data, experimental or survey-based approaches, and longitudinal designs to better capture behavioral change over time. Further work could also explicitly integrate consumer protection indicators and regulatory quality measures to deepen the understanding of how institutional frameworks mediate the relationship between cultural codes and circular consumption outcomes.

The findings of this study suggest that public policies aimed at achieving SDG 12 and developing a circular economy must go beyond purely technological and economic instruments. Given the significant role of cultural codes in shaping consumption patterns, regulators and government agencies must develop differentiated policy frameworks that take into account the cultural and behavioral context. Strengthening consumer rights and protections is becoming a crucial policy lever for ensuring fair and informed consumption through standards for product durability, repairability, transparent eco-labels, and the prevention of misleading sustainability claims. Governments also play a key role in ensuring equal access to circular services by aligning regulatory frameworks with cultural and behavioral realities. Policymakers can more effectively translate sustainable development goals into everyday consumer practices and support a socially inclusive transition to circular consumption.

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8

Circular Futures in Migration: Sustainable and Circular Economy Practices among Migrant Entrepreneurs in Türkiye

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Abstract

This chapter presents a descriptive, exploratory analysis of how migrant entrepreneurs in Türkiye relate to sustainability and circular economy ideas in their everyday business practices. Rather than testing a specific theoretical model, the study aims to map basic patterns of awareness, interpretations, and self-reported behaviors among a diverse group of migrant-owned small businesses. The research draws on semi-structured interviews with entrepreneurs from different national backgrounds, sectors, and cities. The interview guide covers personal and migration histories, motivations for starting a business, general understandings of sustainable business, and concrete examples of practices such as reuse, repair, waste reduction, and resource efficiency. It also explores perceived obstacles and support mechanisms, including the role of co-ethnic networks and wider local connections. Using a simple qualitative content analysis, the study identifies recurring themes without claiming exhaustive coverage or theoretical saturation. The findings suggest that many participants associate sustainability primarily with economic continuity, business survival, and avoiding waste, while formal environmental terminology is less familiar. Practices that can be considered circular – such as reusing materials, minimising waste, or extending product lifetimes – often

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emerge as cost-saving and risk-management strategies rather than as explicit environmental commitments. At the same time, limited access to capital, regulatory uncertainty, and constrained information about support schemes are reported as key barriers to developing these practices further.

8.1 Introduction

In contemporary economies, sustainability and circular economy models have emerged as critical strategic approaches for businesses facing accelerating resource scarcity and environmental degradation (Munir & Fausiah, 2025; Suchek et al., 2022). Within this context, the circular economy is increasingly framed as a foundational pillar of sustainable development. It aims to minimize waste generation and resource consumption by keeping materials, products, and resources in circulation at their highest possible value throughout their life cycle ("Özpolat & Nakıpoğlu Özsoy, 2022; Mamash et al., 2025). In contrast to the traditional linear "take–make–dispose" model, circular approaches promote resource efficiency, waste minimization, and renewable solutions across the entire value chain of firms (Mamash et al., 2025). This transition reflects an urgent need to decouple economic growth from resource use and environmental degradation (Ahmadov et al., 2024).

Furthermore, practices such as repair, reuse, and refurbishment shape consumers' access to affordable and durable goods and services. From this perspective, circularity is a topic linked not only to environmental performance but also to the dimension of fair consumption, which is particularly relevant to daily market participation for low-income households and economically vulnerable communities (Stolyarov et al., 2024).

In this regard, green entrepreneurship is gaining importance as a field that generates economic value while offering innovative responses to environmental challenges, and it aligns closely with circular economic principles (Adekunle, 2024). The circular economy concept is closely connected to core issues such as efficient resource use, clean energy solutions, sustainable agriculture, and eco-innovation (Salaheldeen et al., 2024). By slowing, closing, and narrowing production loops, it offers an alternative to waste-oriented systems and seeks to preserve the utility and value of products, components, and materials over time (Suchek et al., 2022). Accordingly, circular economy principles encourage firms to use resources more efficiently, extend product lifetimes, and reduce waste generation in their operations (Kamal & Jasni, 2023). Adopting such models can contribute to environmental sustainability while also creating cost savings and new market opportunities for businesses

(Zahran, 2024). More broadly, circular approaches are seen as holding potential to enhance the resilience of production and consumption systems and address major societal challenges such as climate change, excessive waste, and biodiversity loss (Angelis & Vesci, 2024).

From this perspective, firms are increasingly expected not only to reduce the environmental harm caused by their activities, but also to develop strategies that actively restore or compensate for such damage (Bayram & Öztırak, 2023). The economic dimension of the circular economy encompasses the design of product–service systems, the adoption of refurbishment and remanufacturing to extend product life, and the creation of circular supply chains that enable the recovery of valuable resources (Başkaya & Özdemir, 2024). These dynamics are particularly relevant for migrant entrepreneurs, who often operate under conditions of limited capital and restricted access to formal support mechanisms, yet may develop innovative business models and cost-reducing strategies by integrating elements of circularity into their practices (Zülfikaroğlu, 2024). Although linear economic models tend to externalize environmental costs and have contributed substantially to ecological degradation, mounting pressures to restructure production and consumption patterns render the shift towards circularity increasingly unavoidable (Aksu & Çıraklar, 2022). Circular economic systems, which seek to maintain the value potential of resources for as long as possible, require the redesign of business models and processes with a view to reducing resource input while maximizing utility (Kılıç & Kurgun, 2025). Enhancing resource efficiency and minimising waste are thus recognised as strategic approaches that can deliver both environmental benefits and significant cost savings for firms (Yaş, 2022). In this vein, the core "reduce, reuse, recycle" (3R) principles of the circular economy enable businesses to optimize resource use, reduce waste generation, and lower their environmental footprint (Sürmen & Çokmutlu, 2022). According to the Ellen MacArthur Foundation, companies that adopt circular models can substantially reduce costs and improve efficiency while decreasing their ecological impact (Quelal et al., 2024).

Against this backdrop, migrant entrepreneurs represent a particularly interesting group. Operating with constrained resources, they frequently depend on frugality, repair, and reuse as everyday strategies to keep their businesses viable. These practices may align closely with circular economic principles, even when they are not explicitly framed in environmental terms. Understanding how migrant entrepreneurs interpret and implement such practices can therefore provide valuable insight into how circular behaviors

emerge from below in contexts of mobility, vulnerability, and limited access to formal support.

Building on this premise, the present study has a predominantly descriptive and exploratory aim. It seeks to map how migrant entrepreneurs in Türkiye understand the notions of sustainability and circular economy, and to document the kinds of everyday business practices they associate with these ideas. Rather than attempting to test a specific theoretical model or to offer a comprehensive explanatory framework, the study focuses on identifying recurring patterns in awareness, meanings, and self-reported behaviors related to waste reduction, reuse, repair, resource efficiency, and long-term business continuity. In doing so, it aims to offer an initial empirical snapshot that can serve as a basis for more in-depth future research on the relationship between migration, entrepreneurship, and circular practices.

Conceptually, the findings can be situated within entrepreneurship perspectives that distinguish necessity- and opportunity-driven venturing and within effectuation theory. Consistent with the study's conclusion that "sustainability" is primarily understood as business continuity under precarious conditions, many participants' accounts reflect a necessity entrepreneurship context in which limited capital, legal-economic uncertainty, and restricted access to formal support make cost-saving and waste-avoiding routines central to survival. This helps explain why maintenance and repair, reuse and repurposing, and resource efficiency appear not as peripheral "green" add-ons but as core operational practices that reduce expenditure and prolong the life of assets and infrastructures. At the same time, the data also resonates with effectual logics: entrepreneurs repeatedly describe starting from the means at hand, leveraging co-ethnic and local networks for information and services, and adapting to contingencies rather than implementing pre-planned sustainability strategies. In this view, migrant status shapes circularity less through explicitly environmental motivations and more through the constraints and opportunity structures that condition entrepreneurial decision-making in Turkish cities—thereby producing a form of everyday, practice-based circularity that remains largely informal and undervalued in mainstream circular economy debates (Reynolds et al., 2002; Sarasvathy, 2001). To make this exploratory aim explicit, the study is guided by the following research questions:

- How do migrant entrepreneurs in Türkiye understand and interpret sustainability and the circular economy in relation to everyday business survival and continuity?

- Which everyday business practices reported by migrant entrepreneurs resonate with circular economy principles such as waste reduction, reuse, repair, and resource efficiency?
- What constraints and enabling factors do migrant entrepreneurs perceive as shaping the emergence and continuity of such practices in the host-country context?

Empirically, the chapter draws on semi-structured interviews conducted with migrant entrepreneurs operating in different sectors and cities in Türkiye. The interview protocol includes questions on personal and migration backgrounds, motivations for starting a business, general perceptions of sustainable business practices, and concrete examples of how resources, materials, and products are managed in day-to-day operations. Additional questions explore perceived barriers and enabling factors, including the role of co-ethnic and local networks in accessing knowledge, finance, and market opportunities. The analysis relies on a basic qualitative content analysis, through which interview transcripts are coded to identify central themes and illustrative narratives, without claiming theoretical saturation.

The remainder of the chapter is structured as follows. The next section briefly reviews the literature on circular economy and green entrepreneurship, with a particular focus on the limited but growing body of work addressing migrant entrepreneurship in this context. The subsequent section outlines the research design, describing the interview sample, data collection process, and analytical approach. This is followed by a findings section that presents the main descriptive results, organised around three dimensions: understandings of sustainability and circularity, everyday practices that resonate with circular principles, and perceived constraints and needs. The final section discusses the implications of these findings, highlights the limitations of the study, and suggests avenues for future research on migrant-led practices within broader sustainability transitions.

8.2 Literature Review

8.2.1 Circular Economy: Concepts, principles, and evolving business models

The circular economy has emerged over the past decade as a central paradigm in debates on sustainable development, industrial transformation, and resource governance. At its core, the circular economy seeks to transcend

the dominant linear "take–make–dispose" logic by promoting closed material loops, resource efficiency, and waste minimization across value chains (Kunday, 2023; Neumann, 2021). Rather than viewing waste as an inevitable byproduct of production and consumption, circular perspectives reframe waste as a potential resource that can be recovered, repurposed, and reintegrated into economic systems through various technological, organizational, and behavioral innovations.

Conceptually, the circular economy is often associated with strategies that extend the life cycle of products and materials, reduce virgin resource inputs, and preserve value for as long as possible. These strategies include, but are not limited to, reuse, repair, refurbishment, remanufacturing, recycling, and industrial symbiosis, as well as more systemic solutions such as product-service systems and sharing platforms (Kunday, 2023; Premyanov et al., 2024). The now widely cited "R-hierarchies" of reduce, reuse, and recycle—sometimes expanded into more complex taxonomies—capture the idea that different interventions can be ranked according to their potential to prevent waste and optimize resource use (Sürmen & Çokmutlu, 2022).

From a business perspective, circular economy thinking has given rise to a broad set of business models that challenge conventional notions of ownership, production, and consumption. Recycling-oriented ventures focus on recovering secondary raw materials from post-consumer or post-industrial waste streams, often using advanced sorting and processing technologies (Kunday, 2023). Resource value extension models are built around the refurbishment, remanufacturing, and resale of products, thereby prolonging their usable life and delaying entry into waste streams (Premyanov et al., 2024). Collaborative consumption and sharing platforms, in turn, facilitate access-based consumption of underutilized assets—such as vehicles, tools, or workspaces—reducing the need for individual ownership and potentially lowering overall resource demand (Kamal & Jasni, 2023).

Empirical studies show that such circular models can yield significant environmental benefits by reducing greenhouse gas emissions, lowering material throughput, and decreasing pressure on landfills and ecosystems (Özbuğday & Tirgil, 2022). At the same time, they can generate new jobs, stimulate local economic development, and open market niches, particularly in labor-intensive sectors such as repair, refurbishment, and recycling. However, the diffusion of circular practices is uneven across sectors, territories, and firm sizes. While some manufacturing industries have begun to invest in design for disassembly and material recovery, many small and medium-sized enterprises (SMEs) face barriers related to capital constraints, regulatory complexity, and limited access to knowledge and technology (Neumann, 2021).

Institutional and infrastructural enablers are therefore crucial in shaping the trajectories of circular transitions. Makerspaces, fab labs, and repair cafés, for example, provide shared tools, training, and spaces for experimentation that lower entry barriers for individuals and small firms interested in circular innovation (Premyanov et al., 2024). Business incubators and accelerators that are explicitly oriented towards green or circular entrepreneurship can connect startups with mentors, investors, and policy programs, thereby enhancing their survival prospects (Kunday, 2023; Ekinci, 2022). At a policy level, various instruments—ranging from extended producer responsibility schemes and green public procurement to tax incentives and regulatory sandboxes—have been introduced in different contexts to stimulate circular investment and innovation (Polychronopoulos & Nguyen-Duc, 2024).

Despite this proliferation of initiatives, scholars underline that the circular economy remains a contested and evolving concept, with diverse interpretations and implementation pathways. Critical perspectives warn that circular rhetoric can be coopted by incumbent actors without leading to substantive environmental improvements, or that efficiency gains can be offset by rebound effects if overall consumption keeps rising (Neumann, 2021). Moreover, much of the early circular economy literature has focused on technological solutions and business models, paying comparatively less attention to social justice, labor conditions, and the distribution of costs and benefits across different groups. The specific position of marginalized or vulnerable actors—such as migrant and refugee entrepreneurs—within circular transitions has, until recently, received little systematic attention (Kunday, 2023; Kamal & Jasni, 2023).

8.2.2 Sustainability and green entrepreneurship

The concept of sustainability, particularly as articulated through the "triple bottom line" of economic, environmental, and social dimensions, has become a central reference point for contemporary policy and business discourse. Within this broader field, green and sustainable entrepreneurship refer to entrepreneurial activities that seek to create economic value while simultaneously generating positive environmental outcomes and, in many cases, social benefits (Alpdoğan & Atik, 2023; Balli, 2019). Green entrepreneurs are often portrayed as key agents of change, capable of challenging unsustainable production and consumption patterns by introducing cleaner technologies, eco-innovative products, and more responsible business models.

Empirical research has identified a wide range of sectors in which green and sustainable entrepreneurship are particularly visible, including renewable energy, sustainable agriculture, organic food, waste

management, eco-tourism, and energy-efficient construction (Alpdoğan & Atik, 2023; Neumann, 2021). In these domains, entrepreneurial ventures can contribute to resource efficiency, emission reductions, and biodiversity protection, while also creating jobs and supporting regional development. For example, waste-based businesses can transform discarded materials into marketable products, thereby reducing landfill use and creating livelihood opportunities for local communities (Döngüsel Ekonomi Yenilikler ve İstihdam, 2022).

From a theoretical standpoint, sustainable entrepreneurship has been linked to opportunity recognition processes that are shaped by environmental challenges and regulatory contexts. Entrepreneurs may identify business opportunities in unmet societal needs—such as affordable clean energy or improved waste services—or in emerging policy frameworks that create new markets for green products and services (Neumann, 2021). At the same time, they often face considerable barriers, including high upfront investment costs, uncertain demand, and limited access to finance or technical expertise (Borrero & Yousafzai, 2025).

Studies on the impacts of green entrepreneurship suggest that such ventures can contribute to "green growth" by aligning environmental objectives with competitiveness and innovation (Alpdoğan & Atik, 2023). They can also foster social inclusion when they target underserved communities, create employment for vulnerable groups, or adopt participatory governance models. However, the empirical evidence base remains fragmented. Many studies rely on small samples or case studies, and there is relatively little systematic measurement of environmental and social impacts using robust indicators (Özbuğday & Tirgil, 2022; Neumann, 2021). This limits the ability to generalize findings and to assess the extent to which green entrepreneurship can contribute to broader sustainability transitions.

Policy frameworks have increasingly sought to support green and sustainable entrepreneurship through innovative strategies, cluster initiatives, and dedicated funding schemes. National and regional governments have introduced programmes aimed at promoting eco-innovation, supporting start-ups, and building green entrepreneurial ecosystems (Ekinci, 2022; Polychronopoulos & Nguyen-Duc, 2024). Yet, the effectiveness of these interventions is not always clear. Evaluations are often limited, and there is evidence that support instruments may not adequately reach smaller or more vulnerable entrepreneurial groups, including migrants, refugees, and informal sector actors (Borrero & Yousafzai, 2025).

In recent years, scholars have called for more integrative perspectives that link circular economy and sustainable entrepreneurship. Such

approaches highlight that entrepreneurial ventures can play a critical role in operationalising circular principles—by designing repairable products, developing reuse platforms, or introducing reverse logistics systems—and that circular business models can, in turn, provide new opportunities for sustainable entrepreneurs (Neumann, 2021; Kunday, 2023). Nevertheless, the intersections between these fields are still underdeveloped, particularly when it comes to understanding how different types of entrepreneurs, embedded in diverse social and institutional contexts, engage with circular and sustainable practices.

8.2.3 Migrant and refugee entrepreneurship: Theoretical perspectives and empirical insights

Migrant and refugee entrepreneurship has been studied for several decades as a key dimension of migrant integration, socio-economic mobility, and urban transformation. Migrant entrepreneurship typically refers to business activities undertaken by individuals with a migration background that influence both host economies and social structures (Polychronopoulos & Nguyen-Duc, 2024; Kloosterman & Rath, 2001). Refugee entrepreneurship is often considered a specific subset of this broader phenomenon, shaped by distinct legal statuses, protection needs, and trajectories of displacement (Moiz & Turkec, 2022).

A central theoretical framework in this field is the notion of mixed embeddedness, introduced by Kloosterman and Rath (2001). Mixed embeddedness emphasizes that entrepreneurial opportunities for migrants are shaped by the interaction of individual resources and preferences (such as skills, capital, and aspirations), social networks and community structures, and broader opportunity structures at the national, regional, and local levels. This includes regulatory regimes, labor market conditions, urban spatial configurations, and sector-specific dynamics. Rather than attributing migrant entrepreneurship solely to cultural traits or individual risk-taking, mixed embeddedness directs attention to multi-level structures that can either constrain or enable business formation.

Social capital and networks are recurrent themes in the literature. Co-ethnic networks can provide start-up capital, labor, information, and access to suppliers and customers, thereby compensating for migrants' limited access to formal financial institutions or mainstream business networks (Becerikli & Varol, 2024; Eraydin et al., 2010). At the same time, an overreliance on tightly bound co-ethnic circuits can limit market reach and technological upgrading. Bridging ties to majority-population networks, institutions, and diverse customer bases are therefore seen as

crucial for business growth and long-term integration (Eraydin et al., 2010; Polychronopoulos & Nguyen-Duc, 2024).

Empirical research documents a range of motivations that drive migrants into entrepreneurship, including opportunity recognition, aspirations for autonomy, and the desire to maintain cultural identity, but also blocked mobility in wage labor markets, discrimination, and precarious legal statuses (Paksoy & Özbezek, 2023; Eyitmiş & Sezer, 2022). In many contexts, self-employment is simultaneously a strategy of economic survival and a route to upward mobility, especially where migrants face language barriers, non-recognition of qualifications, or sectoral segmentation in employment.

Migrant and refugee entrepreneurs, however, encounter numerous barriers along the entrepreneurial life cycle. These include restricted access to credit and formal finance, complex bureaucratic requirements, unstable legal conditions, limited language proficiency, and discriminatory practices from banks, landlords, or regulatory agencies (Moiz & Turkec, 2022; Parin & Kılıç, 2022). Gendered dynamics often compound these constraints, with migrant women facing additional obstacles related to care responsibilities, conservative norms, and lower control over financial resources (Atasü-Topcuoğlu, 2019).

Despite these challenges, migrant entrepreneurship can generate significant contributions to host economies and societies. Studies highlight its role in job creation, innovation, urban revitalization, and the diversification of local markets (Garg & Phayane, 2014; Raimi & Mahmoud, 2025). Migrant-owned businesses can foster cross-cultural interactions, create niche markets for ethnic products and services, and support transnational trade networks. Bibliometric analyses indicate that research on migrant entrepreneurship has grown substantially, with increasing attention to issues of integration, social innovation, and policy frameworks (Habip & Kandemir, 2024).

Yet, this body of work has also been critiqued for several limitations. Many studies rely on small or convenience samples, are geographically concentrated in a few destination countries, and rarely adopt longitudinal designs that could capture business trajectories over time (Kunday, 2023; Kazanoğlu, 2023). Informal and precarious entrepreneurial activities, which are often prevalent among migrants and refugees, tend to be understudied due to data constraints and methodological challenges. Furthermore, environmental dimensions of migrant entrepreneurship—such as energy use, waste practices, or engagement with green markets—have received very limited attention. This absence is particularly striking given the growing policy emphasis on "green transitions" and the need to ensure that these transformations are socially inclusive.

8.2.4 Connecting the Dots: Migrant entrepreneurs in circular and social circular economies

The intersection between circular economy, green entrepreneurship, and migrant or refugee entrepreneurship is only beginning to be conceptualized in the literature. One promising avenue is the emerging notion of a "social circular economy", which underscores the potential of circular initiatives to address environmental challenges while also fostering social inclusion, community empowerment, and local development (Lettmann & Schmoeckel, 2022). In this view, circular practices—such as repair workshops, reuse centers, and community-based recycling—are not only mechanisms for resource conservation, but also platforms for skills development, social interaction, and solidarity.

This perspective is particularly relevant for understanding migrant and refugee entrepreneurship in urban contexts, where many migrants operate small businesses in sectors such as retail, services, food, construction, and light manufacturing. These businesses often rely on intensive labor, low margins, and high levels of adaptability. Under conditions of constrained capital and uncertainty, migrant entrepreneurs may resort to practices such as reusing materials, repairing equipment, minimising waste, and sharing resources informally with peers. While these behaviors are frequently motivated by cost reduction and risk management rather than by explicit environmental concerns, they align closely with circular economic principles.

Existing scholarship hints at these connections but rarely examines them systematically. For example, studies of refugee entrepreneurship in host countries have documented how refugees repurpose second-hand equipment, use recycled materials in construction or manufacturing, and participate in informal recycling activities, especially when formal labor market opportunities are limited (Moiz & Turkec, 2022; Zülfikaroğlu, 2024). Research on migrant-led social enterprises also points to initiatives that combine environmental goals—such as waste reduction or upcycling—with social missions like job creation for refugees or training for marginalized youth (From Global Problem to Local Solution, 2022). These cases illustrate the potential of migrant entrepreneurs to act as agents in both environmental and social dimensions of circular transitions.

At the same time, the institutional and policy frameworks that support circular economy and green entrepreneurship do not always take migrant and refugee entrepreneurs into account. Access to green incubators, makerspaces, and innovation programs may be limited by language barriers, legal restrictions, or a lack of targeted outreach (Kunday, 2023; Ekinci, 2022). Funding

schemes for circular innovation often require formal documentation, collateral, and bureaucratic procedures that many newly arrived or precariously situated migrants cannot easily meet. As a result, migrant entrepreneurs may be de facto excluded from formal circular economic ecosystems, even when their everyday practices are de facto circular.

Another underexplored dimension concerns the role of social capital and networks in facilitating or hindering migrant engagement with circular and green initiatives. While co-ethnic networks can provide crucial support for business formation, it is not yet clear how these networks shape attitudes towards sustainability and circularity, or how they influence access to information about green technologies and support programs. Similarly, the potential of bridging networks—connecting migrants to environmental NGOs, local authorities, or green innovation hubs—to foster migrant-led circular projects remains insufficiently studied (Eraydin et al., 2010; Becerikli & Varol, 2024).

The literature also offers little insight into how migrant entrepreneurs themselves conceptualize sustainability and circular economy. It is plausible that many associate sustainability with economic continuity, resilience, and the avoidance of waste in a broad sense, rather than with technical environmental terminology. Such vernacular understandings may be deeply rooted in experiences of scarcity, displacement, and the need to "make do" with limited resources. However, empirical studies that explicitly explore these interpretations and connect them to concrete practices are rare.

8.3 Research Design

8.3.1 Interview sample

The empirical analysis is based on semi-structured interviews with 52 migrant entrepreneurs operating in Türkiye. The participants represent a diverse set of national backgrounds, including Syrians, Iranians, Afghans, Russians, Iraqis, Ukrainians, Uzbeks, Somalis, and Azerbaijanis, reflecting different migration trajectories and legal statuses. They are based in several major and secondary cities such as Istanbul, Ankara, Izmir, Gaziantep, Samsun, Konya, and Trabzon, thus covering a range of urban contexts and local opportunity structures. Table 8.1 summarizes the interview participants (n = 52). Values are shown as n (%).

In terms of economic activity, the interviewees run businesses in sectors including trade, food services, tourism, education, technology, logistics,

Table 8.1 Interview participant characteristics

Characteristic	Category	n (%)
City	Ankara	8 (15.4%)
	Gaziantep	7 (13.5%)
	Istanbul	20 (38.5%)
	Izmir	6 (11.5%)
	Konya	4 (7.7%)
	Samsun	4 (7.7%)
	Trabzon	3 (5.8%)
Nationality/region of origin	Afghanistan	8 (15.4%)
	Azerbaijan	1 (1.9%)
	Iraq	6 (11.5%)
	Iran	9 (17.3%)
	Russia	7 (13.5%)
	Somalia	2 (3.8%)
	Syria	12 (23.1%)
	Ukraine	4 (7.7%)
	Uzbekistan	3 (5.8%)
Gender	Female	22 (42.3%)
	Male	30 (57.7%)
Age group	25–34	19 (36.5%)
	35–44	19 (36.5%)
	45–54	11 (21.2%)
	55+	3 (5.8%)
Education	Associate degree	9 (17.3%)
	High School	13 (25.0%)
	Master's Degree	9 (17.3%)
	Undergraduate	21 (40.4%)
Sector	Agriculture	1 (1.9%)
	Construction	3 (5.8%)
	Consulting	4 (7.7%)
	Education	6 (11.5%)
	Food Sector	6 (11.5%)
	Healthcare	2 (3.8%)
	Logistics	4 (7.7%)
	Automotive	1 (1.9%)
	Technology	5 (9.6%)
	Textiles	4 (7.7%)
	Tourism	6 (11.5%)
	Trade	10 (19.2%)
Years in Türkiye	0–2	5 (9.6%)
	3–5	11 (21.2%)
	6–10	36 (69.2%)

textiles, construction, consulting, healthcare, agriculture, and automotive services. This sectoral heterogeneity provides a rich basis for examining how sustainability and circular practices are interpreted and implemented across different types of small and medium-sized enterprises. All participants had already established and operated their ventures in Türkiye at the time of the interview, with years of residence in the country ranging from a few to nearly ten years, allowing them to reflect on both start-up and consolidation phases of their entrepreneurial journeys.

8.3.2 Data collection

Data were collected through semi-structured interviews, using a common interview guide organised into several thematic blocks. The first block focused on personal background and migration history (education, previous work experience, family situation, timing and reasons for migration to Türkiye, and motivations for becoming an entrepreneur in the host country). The second block concentrated on sustainability and circular economy-related issues, asking participants how they define sustainable business practices, what goals or values guide their decisions, and which concrete practices they associate with sustainability in their daily operations (e.g. resource use, waste management, reuse, repair, energy saving).

A third set of questions explored the process of business formation and development, including bureaucratic procedures, access to finance, regulatory and cultural challenges, and strategies used to cope with these difficulties. A further block examined social networks and embeddedness, with particular attention to co-ethnic ties, local Turkish networks, and any formal support mechanisms such as NGOs, incubators, or municipal programmes. Finally, the interview guide included questions about perceived barriers and plans, inviting participants to reflect on their long-term prospects and on what kinds of support they consider most necessary for sustaining or expanding their businesses.

Interviews were conducted face-to-face where possible, and online when logistical or geographical constraints made in-person meetings difficult. Depending on the preferences and language skills of participants, interviews were held in Turkish or English; where needed, informal translation assistance was used to ensure comprehension. All interviews were conducted with informed consent. They were audio-recorded and subsequently transcribed into text. To protect confidentiality, identifying information was removed from the transcripts and pseudonyms were used in the analysis and in any illustrative quotations.

8.3.3 Analytical approach

The study adopts a qualitative, descriptive, and exploratory analytical strategy. The interview transcripts were subjected to qualitative content analysis, combining deductive and inductive elements. In the first step, an initial coding frame was developed based on the interview guide and the existing literature on sustainability, circular economy, and migrant entrepreneurship. This frame included broad categories such as "understandings of sustainability," "waste and resource practices," "cost-saving and efficiency strategies," "reuse and repair," "formal barriers," "informal barriers," "support networks," and "future prospects."

In a second step, the transcripts were read closely and coded line by line, allowing new, more fine-grained sub-codes to emerge inductively wherever participants introduced themes that were not fully captured by the initial categories. These inductive codes included, for example, references to religious or moral motivations for avoiding waste, perceptions of Turkish consumer expectations regarding quality and cleanliness, and implicit forms of circular behaviors (such as creative repurposing of materials or informal sharing of equipment) that were not labelled by respondents as "sustainability" but nonetheless aligned with circular principles.

The aim of the analysis was not to generate a fully fledged theory, but to identify recurring patterns in how migrant entrepreneurs conceptualize sustainable business, which concrete practices they report, and how these are shaped by their migration history, sector, and local embeddedness. The results are therefore presented in a thematic, narrative form rather than in the form of quantified comparisons. Themes were organised around three main dimensions: (1) definitions and meanings of sustainability and circularity, (2) everyday business practices related to resource use, waste, reuse, and repair, and (3) perceived constraints, support mechanisms, and future needs.

Throughout the analysis, participants' own words and categories were retained as far as possible, and illustrative quotations are used in the findings section to convey how migrant entrepreneurs themselves describe their understandings and practices. These qualitative insights are then linked back to the broader literature on circular economy and migrant entrepreneurship, to highlight both convergences and divergences between policy and academic discourses and the lived realities of migrant-owned businesses in Türkiye.

8.4 Findings

This section presents the main descriptive results of the study, organised around three interrelated dimensions: understandings of sustainability and

circularity, everyday practices that resonate with circular principles, and perceived constraints and needs. In this way, the analysis connects how migrant entrepreneurs think about sustainability and circularity with what they do in their daily business operations, and with the structural conditions that shape these practices.

8.4.1 Understandings of sustainability and circularity

Across the interviews, sustainability is primarily understood in two overlapping ways. First, many migrant entrepreneurs frame sustainability as business continuity and economic viability. In this perspective, a sustainable business is one that can survive in a competitive and uncertain environment, maintain a stable customer base, and generate sufficient income over time. Profitability, reliability, and the ability to "stand on one's feet" are central to this understanding.

Second, a substantial number of respondents associate sustainability with avoiding waste and using resources prudently. Even when they do not explicitly use technical environmental terminology, they talk about saving electricity and water, buying only what is necessary, and not discarding materials or products that can still be repaired or reused. Environmental concerns (such as reducing pollution or protecting nature) appear in the narratives, but they are often intertwined with moral (e.g. avoiding "israf") and economic considerations.

By contrast, the concept of a circular economy as a named policy or academic term is generally less familiar. However, when the core idea is explained—keeping products and materials in use for as long as possible, repairing instead of replacing, and finding alternative uses for by-products or waste—many entrepreneurs recognise that these principles are already embedded in their everyday practices. In other words, circularity is often present in practice, but not necessarily as an explicit concept. This gap between practice and discourse is an important feature of the empirical material.

8.4.2 Everyday practices that resonate with circular principles

The interview data reveals a wide range of everyday practices that strongly resonate with circular economic principles, even if they are rarely labelled as such by the actors themselves. These practices are particularly visible in three areas: maintenance and repair, reuse and repurposing, and resource efficiency.

In terms of maintenance and repair, many entrepreneurs emphasise that they try to extend the lifespan of equipment, furniture and fixtures by repairing them repeatedly rather than purchasing new items. Machines, refrigerators, display units and even basic tools are often fixed several times, either by the entrepreneurs themselves or by local repair services. This approach is usually motivated by cost savings and limited capital, but it also substantially reduces material throughput.

Reuse and repurposing practices are also widespread. Packaging materials (boxes, bags, containers) are commonly reused multiple times; in some cases, entrepreneurs actively collect usable packaging from other businesses. Leftover materials—such as fabric scraps, wood offcuts or surplus food—are sometimes repurposed for new products, passed on to other users, or donated. Such arrangements effectively keep materials circulating within local networks, even though they are rarely formalised.

Finally, many respondents describe efforts to monitor and reduce energy and water consumption in their businesses. Examples include turning off lights and equipment outside working hours, limiting the use of heating or cooling to peak periods, and installing basic energy-saving devices when affordable. Again, these actions are framed more as strategies for lowering bills and coping with financial uncertainty than as environmental interventions, but they nonetheless align with circular and sustainable resource management.

Taken together, these practices suggest that migrant entrepreneurs engage in a form of everyday, low-cost circularity that emerges from necessity, frugality and entrepreneurial improvisation. Rather than being driven by formal policy frameworks or environmental branding, circular practices are embedded in the routine problem-solving of running a small business under constrained conditions.

These everyday, low-cost circular practices also have clear implications for fair consumption and consumer rights. Repeated maintenance and repair help keep equipment and products in use for longer and can improve affordability for customers by lowering prices or avoiding the need for frequent replacement, an important consideration in the context of inflation and constrained household budgets. Reuse and repurpose practices may further widen fair access by enabling second-hand options, cheaper inputs, and locally circulating materials that can be converted into lower-cost goods and services, especially for consumers who might otherwise be priced out of new products. At the same time, the prominence of repair highlights the practical relevance of durability and the right to repair, as continued usability often depends on access to maintenance services, spare parts, and know-how. Finally, when

repair and reuse are organised through local providers and neighborhood networks, they can contribute to local resilience by reducing dependence on long and fragile supply chains while sustaining local livelihoods (European Commission, 2020; European Commission, 2023; OECD, 2023).

In this sense, what appears as necessity-driven improvisation at the firm level can simultaneously function as an inclusion-oriented form of circularity that supports more affordable and accessible consumption in everyday markets.

8.4.3 Perceived constraints and needs

Despite the presence of such circular practices, entrepreneurs identify several constraints that limit their ability to maintain, expand or formalise these efforts, as well as specific needs for support. A first and pervasive constraint is limited access to financial resources. Many respondents report that they would like to invest in more efficient machinery, better insulation, or higher-quality durable materials, but that restricted access to credit, high interest rates and unstable income streams force them to prioritise short-term survival over long-term efficiency. As a result, they rely on low-cost practices such as repair and reuse but struggle to undertake more capital-intensive improvements that could substantially reduce resource consumption and waste. A second constraint concerns regulatory and bureaucratic complexity. Navigating business registration, tax obligations, inspections and sector-specific regulations is described as time-consuming and demanding, particularly for those facing language barriers. Under these circumstances, environmental certifications, participation in formal recycling schemes or engagement with circular economy programmes often appear as additional burdens rather than accessible opportunities. Third, entrepreneurs frequently mention information and language barriers. While many express interest in learning more about cost-saving, environmentally sound and innovative business models, they often do not know where to access reliable and relevant information. Existing training and support programmes are perceived as either too general, not tailored to small enterprises, or not sufficiently accessible for migrant entrepreneurs in terms of language and format.

Considering these constraints, respondents articulate several concrete needs. They call for practical, sector-specific training in resource and waste management that is adapted to the realities of small businesses and, where necessary, available in multiple languages. They also emphasise the importance of clearer and more supportive communication from local authorities about rules and opportunities related to waste, recycling and energy efficiency,

as well as better access to small-scale finance or grants for upgrading equipment. Finally, they highlight the value of networking spaces where migrant and local entrepreneurs can exchange experiences and learn from each other's cost-saving and environmentally beneficial practices.

Overall, the findings indicate that migrant entrepreneurs already contribute to sustainability and circularity through a dense set of informal, frugal and repair-oriented practices. However, without targeted and context-sensitive support that addresses financial, regulatory and informational barriers, these contributions are unlikely to be fully recognised, scaled up or integrated into broader circular economy strategies.

8.5 Conclusion

This study has examined how migrant entrepreneurs engage with sustainability and circularity within the specific context of Turkish cities, focusing on their understandings, everyday practices and the constraints and needs that shape these practices. Drawing on qualitative interviews with a diverse group of entrepreneurs differentiated by city, nationality, sector and duration of stay, the analysis has shown that migrant-owned businesses are already embedded in dense webs of frugal, repair-oriented and resource-saving practices that closely resonate with circular economy principles, even when these are not explicitly named as such.

A first key conclusion is that sustainability and circularity are understood in ways that combine economic survival, moral notions of avoiding waste and, to a lesser extent, environmental concerns. For many respondents, running a "sustainable" business primarily means ensuring continuity under uncertain and often precarious conditions, while at the same time minimising unnecessary waste of money, materials and energy. Although the formal language of the circular economy is rarely used, the core ideas of extending product lifetimes, repairing rather than replacing, reusing materials and making do with limited resources are deeply present in their everyday reasoning and decision-making.

Second, the findings demonstrate that migrant entrepreneurs actively enact circularity through a wide range of everyday practices. These include repeated maintenance and repair of equipment and premises, creative forms of reuse and repurposing, and a strong orientation towards resource efficiency in energy, water and raw material use. Such practices are often driven by necessity—limited capital, high uncertainty and restricted access to formal support—but they nonetheless contribute to reducing waste and prolonging the life of products and infrastructures. In this sense, migrant-led businesses

participate in urban sustainability transitions in ways that remain largely informal, unrecognised and undervalued in mainstream circular economy debates.

At the same time, the analysis highlights significant constraints that limit the capacity of migrant entrepreneurs to sustain, deepen or scale up these practices. Restricted access to finance, bureaucratic complexity, information and language barriers, and the fragility of their legal and economic position all work against long-term planning and investment in more systematic forms of circularity. While co-ethnic and wider societal networks provide important support in terms of knowledge, customers and emotional backing, they are not always sufficient to compensate for structural disadvantages or to connect migrant entrepreneurs to formal circular economy programmes, green funding schemes or institutional innovation networks.

These findings carry important implications for policy and practice. They suggest that migrant entrepreneurs should be recognised not only as vulnerable economic actors, but also as potential partners in sustainability transitions whose existing practices can be built upon rather than ignored. Policy measures that aim to promote circularity need to be sensitive to the realities of small, low-margin businesses and align environmental objectives with concrete benefits such as cost reductions, risk mitigation and market access. Strengthening the interfaces between migrant entrepreneurs, local authorities, mainstream business organisations and environmental initiatives could help bridge the current gap between informal, practice-based circularity and formal circular economy agendas.

To move beyond generic calls for "support", the evidence presented in this study points to a set of pragmatic policy levers through which public actors could enable migrant-owned microbusinesses to translate already-existing frugal, repair-oriented and resource-saving practices into safer, more reliable and more professionally recognised circular services. Importantly, these measures would not aim to "create" circularity from scratch; rather, they would reduce the constraints that currently keep many practices informal, low-margin and precarious, despite their clear contribution to extending product lifetimes and reducing waste.

First, policymakers can design low-burden and staged formalisation pathways that reflect the realities of micro-enterprises operating under uncertainty. Simplified registration and licensing procedures, multilingual one-stop information points, and clear guidance on municipal requirements and taxation can lower entry barriers while improving accountability and consumer protection. A graduated compliance approach (for example, reduced fees and reporting requirements in the initial period, paired with clear milestones)

would allow businesses to formalise without facing an immediate cost shock that undermines economic survival.

Second, capacity-building should be tailored to the everyday operational conditions of small repair, maintenance, reuse and refurbishment activities. Short, modular training and voucher schemes could focus on repair standards and product safety, quality assurance, basic bookkeeping and pricing, customer rights and warranty practices, as well as practical digital skills for sourcing parts and reaching customers. Delivery can be strengthened through partnerships between municipalities, chambers of commerce, vocational training institutions and civil society organisations, ensuring that training is accessible in both language and time requirements.

Third, targeted upgrading support can help move "survival repair" activities toward more professional circular service provision. Small grants, matched funding, or equipment/tool libraries can enable investments in safer workspaces, appropriate tools and testing devices, inventory systems, and compliant waste handling. In parallel, municipal service contracting and public procurement can be structured so that micro-firms can realistically participate (for example, through smaller "circular service lots" related to repair and refurbishment of municipal equipment or furniture). Circular economy-focused incubators or mentoring programmes could additionally connect migrant entrepreneurs to supplier networks and more stable second-hand and spare-part markets, reducing reliance on precarious informal channels.

Taken together, such measures operationalise "fair consumption" in a tangible way: they help maintain affordability through repair and reuse, raise durability and safety standards, and widen access to the benefits of circular transitions for both low-income consumers and migrant entrepreneurs across Turkish cities.

Overall, the evidence points to the need for future research and policy to take migrant entrepreneurs more seriously as actors in sustainability transitions: not only as subjects of integration or targets of support, but as agents whose situated knowledge, networks and frugal innovations can enrich and challenge dominant understandings of what a circular and sustainable urban economy might look like.

This study has several limitations that should be borne in mind when interpreting the findings. First, the analysis draws on participants' self-reported accounts of business practices and sustainability- or circularity-related behaviors. While qualitative interviews are well suited to capturing meanings, motivations and constraints, such accounts may be shaped by recall bias, social desirability, and variation in how respondents understand terms such as "sustainability" and "circularity", particularly where formal

policy language is not part of everyday business discourse. We therefore interpret these accounts as narratives of perceived and enacted routines rather than as independently verified indicators of environmental performance.

Second, the study is explicitly exploratory in scope and qualitative in design. The interview sample was constructed to capture diversity across city, sector, nationality and duration of stay, but it is not intended to be statistically representative of migrant entrepreneurs in Türkiye. As a result, the contribution of the study lies in analytical generalisation: identifying mechanisms, tensions and enabling conditions that may be relevant in comparable urban settings, rather than providing population-level estimates about the prevalence of specific practices. Future research could strengthen inference through triangulation, for example by combining interviews with observation, documentation of material and waste flows, or relevant administrative and programme data, and by testing the patterns identified here across larger and more varied samples.

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9

Consumer Protection and Greenwashing Behind Circular Narratives in the Agri-food Sector

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Abstract

The transition towards a circular economy has become a central objective of European agri-food policies, encouraging the recovery and valorization of food by-products through innovative solutions such as upcycling. While these practices contribute to reducing food loss and waste and promoting more resource-efficient production systems, they also create new challenges for consumer protection. In particular, the increasing use of sustainability-related marketing messages raises concerns regarding the accuracy, substantiation and transparency of environmental claims associated with circular products. This chapter examines the relationship between circular economy narratives and greenwashing in the agri-food sector from an interdisciplinary perspective, combining insights from agricultural economics and European consumer law. It first outlines the role of food loss, food waste and by-products within the circular economy framework, highlighting the growing importance of upcycled foods as a strategy for resource valorization. The analysis then explores how environmental claims referring to waste reduction, recovered ingredients and circular production practices may

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mislead consumers when they are vague, unsubstantiated or presented without adequate evidentiary support. The chapter further analyses the EU legal framework governing unfair commercial practices, with particular attention to the Unfair Commercial Practices Directive and the recent Directive (EU) 2024/825 on empowering consumers for the green transition. By discussing existing regulatory gaps and emerging enforcement challenges, the chapter argues that greater legal clarity and more transparent communication are essential to support consumer trust and ensure that circular economy initiatives deliver genuine environmental value rather than becoming merely persuasive marketing narratives.

9.1 Introduction

The agri-food sector sits at the intersection between environmental ambition and consumer vulnerability. Agriculture is currently the fifth largest sector for greenhouse gas emissions in the European Union, accounting for 11% of total emissions (European Parliament, 2024). When not conducted through sustainable practices, such as organic farming, it contributes to soil and water pollution, as well as biodiversity loss. Today, the circular economy is considered the new paradigm that should lead to the green and sustainable transition of the agri-food system. This objective is increasingly reflected in EU policy strategies, including the 2020 Farm to Fork strategy, where reducing food waste and losses are two of the European Union's transition towards a circular economy by 2050 (European Parliament, 2025).

The circular economy can be defined in various ways, but it is best understood through a holistic approach encompassing all stages of a product's lifecycle, from design to consumption of the finished product (Ellen MacArthur Foundation, 2019). Reducing this model as merely recovering supply chain would therefore be overly restrictive. Rather, circularity is waste. Instead, it needs to be firmly rooted within the entire production system, from mind to table (Chiaraluce et al., 2021). Waste prevention, recovery and valorisation nevertheless remain among its most prominent dimensions, particularly given the persistence of the linear take-make-use-dispose model that continues to underpin much of the global economy and results in significant resource losses. Therefore, understanding how to recover and reuse what traditional industry discards is fundamental. In the agri-food sector progress in waste treatment and valorization depends on investments in infrastructure, operational improvements, policy updates, and behavioral changes (Aramyan et al., 2021). More broadly, the transition towards circular food supply chains requires a comprehensive redesign from a holistic and

multidisciplinary perspective (Ciccullo et al., 2021) and collaboration among various stakeholders to promote the use of waste as a valuable resource. Key elements for this transition include smart and sustainable design, a circular process approach, industrial symbiosis, innovation, and sustainable technologies, all aimed at preserving, restoring, and regenerating natural resources and supporting the development of are all important parts of creating a new economic model (Berardi et al., 2021; Vlajic et al., 2021; Schumpeter, 1983).

Against this background, this chapter examines circular economy narratives in the agri-food sector, with particular attention to food waste, by-products and upcycled food. The authors bring together two areas that have so far largely developed in parallel, i.e., the debate on circularity in food systems and the consumer-law scrutiny of environmental claims. The chapter shows how circularity, once translated into commercial communication, raises distinct consumer protection concerns, particularly where claims concerning waste reduction, recovery or upcycled ingredients may convey broader environmental benefits than those that can be substantiated. After providing an overview of greenwashing and its specific relevance to the food sector, the chapter situates food waste and upcycling within the EU circular-economy framework, identifies the main forms of potentially misleading circularity claims, and examines the consumer law rules applicable to them, with particular emphasis on the UCPD and Directive (EU) 2024/825.

The chapter is structured as follows. Section 9.2 provides an overview of greenwashing and considers its specific relevance to the food sector. Section 9.3 situates food waste, by-products and upcycling within the broader circular-economy framework, while Section 9.4 identifies the main forms of greenwashing that may arise in connection with food-waste reduction and circularity claims. Section 9.5 examines the EU consumer-law framework applicable to such practices, focusing on the Unfair Commercial Practices Directive and the amendments introduced by Directive (EU) 2024/825. Section 9.6 then considers the emerging enforcement landscape, including the relevance of enforcement concerning analogous circularity claims for the future scrutiny of upcycled-food claims. Section 9.7 concludes by drawing out the main regulatory and consumer-protection implications.

9.2 The Phenomenon of Greenwashing: An Overview

Sustainability has become a powerful marketing asset across virtually all sectors. Firms increasingly seek to present themselves as ‘climate-conscious’, ‘ecofriendly’ or ‘sustainable’, responding to growing demand from consumers, investors and regulators for environmentally responsible products and

practices. This proliferation of environmental claims has, however, been accompanied by mounting concerns about their accuracy and credibility. Civil society organizations, competitors and public authorities have increasingly alleged that such claims are exaggerated, selective or outright misleading – a phenomenon commonly referred to as 'greenwashing'. Greenwashing may be understood as the practice of advancing sustainability claims, today commonly referred to as 'green claims' and, under EU Consumer law, more specifically as 'environmental claims', that promise far more than the material reality of production processes is capable of delivering. Notably, 'green' should not be understood as designating only what pertains to nature or environmental protection. Rather, it has become a linguistic shortcut for a wide spectrum of sustainability narratives. The concept of 'environmental claim'category is intentionally broad, and has become a linguistic shortcut for a wide spectrum of sustainability narratives. An environmental this breadth is precisely what makes it both attractive and prob-lematic: a green claim may refer to climate performance, but just as easily to packaging, water use, food waste reduction, compostability, upcycling, or any other element associated with environmental responsibility.

What renders greenwashing possible is therefore not only the ambiguity of the vocabulary but the fact that green claims operate primarily as narrative devices. They may evoke participation in broader collective ecological project, a gesture of responsibility towards the planet, an ethically attuned form of consumption. This symbolic dimension, far more than the informational content of the claim, that gives green claims their persuasive force. And it is precisely this persuasive force, when not supported by substantive environmental performance, that lies at the core of greenwashing. From a business perspective, greenwashing exploits the reputational and competitive benefits of appearing sustainable, without undertaking the corresponding costly or structural changes in production, supply chains or corporate strategy. From a regulatory and consumer-protection perspective, it distorts market choices, undermines trust in genuinely sustainable products and erodes the effectiveness of environmental policy.

Crucially, from the consumer's standpoint, the accuracy of environmental claims is often difficult, if not impossible, to verify independently, since they often concern credence attributes. For example, the consumer cannot independently measure carbon footprints, assess supply-chain impacts, or evaluate the environmental relevance of using an 'upcycled' ingredient. This, in turn, creates an epistemic asymmetry, where corporate narrative becomes the primary source of truth. Greenwashing, therefore, arises from the intersection between the elasticity of sustainability language, its symbolic and moral charge, and the consumer's limited ability to scrutinize the claims being made.

Greenwashing is typically associated with climate-related communication, the phenomenon is much broader, and recent case law illustrates its systemic relevance. A growing body of case law and administrative practice allows us to distinguish at least three broad categories of greenwashing disputes. The first concerns corporate climate commitments. A significant number of large companies now advertise long-term commitments to achieve 'net zero' greenhouse gas emissions, often by 2040 or 2050, and participate in international initiatives (e.g., Race to Zero or the Science Based Targets initiative). These commitments serve not only as internal governance tools but also as external signaling devices aimed at investors, consumers and regulators. Litigation in this area typically questions the credibility and transparency of such commitments. Claimants argue that corporate climate strategies rely on unrealistic assumptions, unproven technologies, or extensive use of carbon offsets, while the company simultaneously continues to expand carbon-intensive operations. The second and numerically most significant category concerns the environmental attributes of products and services. Cases in this group challenge the way particular products, packaging or services are presented as 'climate-neutral', 'sustainable' or otherwise environmentally "superior". As green claims proliferate, courts and regulators increasingly scrutinize whether the advertised benefits genuinely correspond to the underlying environmental performance. The third category involves climate risk deception. These cases seek to hold fossil fuel companies accountable for downplaying the impacts of climate change, for instance by obscuring or minimizing the climate-related risks they knew their products would cause. Across different jurisdictions, such claims rely on a variety of legal bases, including tort law, consumer protection and securities regulation, and are gradually shaping the contours of responsibility for misleading climate-related communication.

Although greenwashing has been widely examined in sectors such as fashion, cosmetics and energy (Brydges et al., 2022; Munir & Mohan, 2022; Sailer et al., 2022; Montero-Navarro et al., 2021), comparatively less attention has been devoted to the food sector. This is striking, given that food is not merely a commodity but it is closely intertwined with concerns relating to nutrition, health, ethics, trust and lifestyle.

9.3 Food Waste in the Context of Circular Economy

Considering the entire agri-food supply chain, one of its most critical challenges is the generation of substantial quantities of waste. Every year, approximately one third of all food produced globally is lost or wasted (FAO, 2025). Such losses entail not only the disposal of edible products

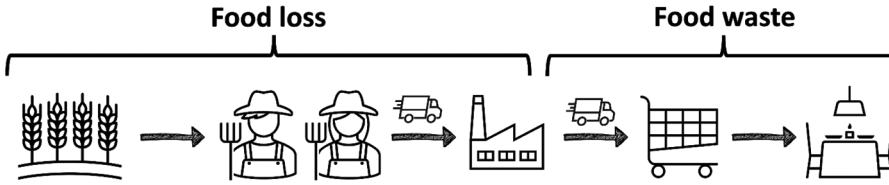

Figure 9.1 Food loss and waste in the agri-food supply chain. Source: authors' elaboration

but also the waste of the resources required for their production, i.e. water, land, energy, labor and capital. At EU level, the scale of the phenomenon is equally alarming. In 2023, approximately 58.2 million tonnes of food waste were generated in the EU, corresponding to around 130 kg per inhabitant. Households accounted for 53% of the total, followed by the manufacture of food products and beverages (19%), restaurants and food services (11%), primary production (10%), and retail and other food distribution (8%) (Eurostat, 2025). At global level, 13.3% of food produced was lost between harvest and retail in 2023, while the latest global estimate of food waste indicates that 1.05 billion tonnes of food were wasted at retail, food-service and household level in 2022, corresponding to 19% of the food available to consumers. Reducing these losses would substantially contribute to climate mitigation, help reduce malnutrition and food insecurity, and lower both production and consumption costs. Environmental and economic repercussions are significant. Food loss and waste together account for an estimated 8–10% of global greenhouse gas emissions and generate economic losses of approximately US $1 trillion annually. These inefficiencies, however, coexist with stark nutritional inequalities: 645 million people faced hunger in 2025, corresponding to 7.8% of the global population (FAO, IFAD, UNICEF, WFP & WHO, 2026). Meanwhile, food demand is projected to increase by 30–62% by 2050, driven by demographic growth, urbanization, dietary shifts, and land-use pressures (Nadeau & Koebele, 2023; Thorsen et al., 2022; Shafiee-Jood & Cai, 2016).

Given these conditions, reducing food losses and waste is not merely desirable but strategically essential for the transition towards a circular agri-food system. In this respect, it is useful to clarify the distinction between food loss and food waste. According to the FAO, the distinction primarily depends on the stage of the supply chain at which the loss occurs (Figure 9.1). Food loss refers to reductions in edible food mass occurring during the early stages of the supply chain, namely, production, post-harvest handling, and processing. Food waste, by contrast, concerns losses occurring at the later stages, that is, retail and consumption (Gustavsson et al., 2011).

From a regulatory perspective, the EU does not yet have a comprehensive instrument specifically governing food waste as a specific category. Instead, the topic is addressed through broader food-law and waste-management legislation. A first relevant instrument is Regulation (EC) No 178/2002, whose Article 2 defines 'food', while also delineating the notion of organic waste, including biodegradable kitchen and food waste generated by households, catering and retail establishments, and similar waste from food-industry operations. Importantly, neither this Regulation nor other EU food law instruments offer a definition that captures waste arising from the primary agricultural sector. This exclusion is relevant for the legal delimitation of food waste, since materials discarded before harvesting fall outside the definition of 'food' incorporated into the Waste Framework Directive. It should, however, be distinguished from the FAO concept of food loss, which covers losses occurring from harvest, slaughter or catch up to, but excluding, the retail level.

A second key EU instrument is Directive 2008/98/EC ('Waste Framework Directive'), which establishes measures aimed at protecting the environment and human health by preventing or reducing the adverse impacts of waste generation and management, while also reducing the overall impacts of resource use and improving resource efficiency. Article 3(1) defines 'waste' as 'any substance or object which the holder discards or intends or is required to discard'. Article 3(1) further defines 'bio waste' as including food and kitchen waste from households, offices, restaurants, wholesalers, canteens, caterers and retail premises, as well as comparable waste from food-processing plants (Article 3(4)), and 'food waste' as all food, as defined in Article 2 of Regulation (EC) No 178/2002, that has become waste (Article 3(4a)).

More recently, Directive (EU) 2025/1892 amended the Waste Framework Directive by strengthening the EU framework on food waste prevention. In particular, it requires Member States to take the necessary measures to achieve, by 31 December 2030, a 10% reduction in food waste generated in processing and manufacturing and a 30% per-capita reduction, jointly, in retail and other food distribution, restaurants and food services, and households, compared with the annual average generated between 2021 and 2023.

At its core, therefore, the legal concept of waste remains linked to the act or intention of discarding a substance or object. Such an understanding appears, at least prima facie, to sit uneasily with circular-economy strategies, particularly in the agri-food sector, where revalorisation of secondary materials is central to sustainability objectives. Yet the Directive offers legal mechanisms that enable reconciliation with circular-economy principles.

Article 5 introduces the category of by-products, referring to substances or objects resulting from a production process whose primary aim is not their manufacture. Four cumulative conditions must be satisfied: i) further use must be certain; (ii) the substance must be usable without processing beyond normal industrial practice; (iii) it must be produced as an integral part of the production process; and (iv) its further use must be lawful. Examples of agri-food materials that may qualify as by-products include bran, peels, seeds, and whey.

Conversely, Article 6 provides a separate mechanism through which waste that has undergone recycling or another recovery operation may cease to be waste. This status is conditional on the waste being intended for specific purposes, having a market or demand, meeting technical requirements and relevant legislation, and not causing overall adverse environmental or health impacts. In functional terms, the regulatory architecture thus permits materials that would otherwise be discarded either to remain outside the legal category of waste as by-products or, where they have already become waste, subsequently to cease to be waste following recovery. The two categories should therefore be distinguished: by-product status prevents a material from becoming waste in the first place, whereas end-of-waste status applies to material that has already become waste.

A further key provision is Article 4, which establishes the 'waste hierarchy,' later adapted to the food waste context by Papargyropoulou et al. (2014) to the agri-food context. The hierarchy identifies five levels of waste management: prevention, preparation for reuse, recycling, other forms of recovery, and disposal.

The primary objective is to prevent food waste at every stage of the supply chain. Prevention offers financial advantages by reducing waste management and surplus food disposal costs, as well as environmental benefits by conserving finite resources and mitigating pollution, thus facilitating a circular economy model. If prevention is not feasible, surplus food that remains suitable for human consumption should, where possible, be redistributed for human consumption. Other possible uses include animal feed, followed by recycling and nutrient recovery, including composting. Another option is energy recovery through the generation of biogas or biomethane. The least favorable method is disposal, including landfilling, used to handle the residual percentage of unavoidable waste once all other alternatives have been exhausted (Chiaraluce et al., 2023).

More recently, upcycling has emerged as an innovative strategy in the agri-food sector and one that differs conceptually and practically from traditional recycling. Upcycling refers to the transformation of by-products or

other secondary materials into new, higher-value food products, such as beverages, snacks, or functional. In contrast to conventional recycling, which typically yields outputs of equal or lesser value, upcycling increases the overall value of the material (Aschemann-Witzel et al., 2023; Moshtaghian et al., 2021).

Although the Waste Framework Directive does not regulate upcycling as such, this practice holds considerable potential for reducing agri-food waste, fostering innovation, creating additional value. Illustrative examples include pasta enriched with spent grain (Chetrariu & Dabija, 2021; Nocente et al., 2021), biscuits made from sunflower seed flour (Grasso & Asioli, 2020), the use of melon scraps as snacks or beverages (Silva et al., 2020), and pizza enriched with cauliflower flour (Chiaraluce et al., 2024). However, the use of by-products or other secondary materials in new food products also raises several challenges, including technological stability (Hasan et al., 2024; Olsen et al., 2014), costs (Taghian Dinani & Van Der Goot, 2023), consumer acceptance (Lu et al., 2024), safety (Socas-Rodríguez et al., 2021), and advertising through green-environmental claims (Cela et al., 2024). This last aspect, in particular, may create a risk of greenwashing where environmental claims overstate, misrepresent or insufficiently substantiate the sustainability benefits associated with upcycled products.

9.4 Food Waste Greenwashing Practices

In the agri-food sector, and particularly in relation to food waste, greenwashing practices are steadily gaining ground. Related claims circulating in the market may be broadly grouped into three categories: generic environmental claims, claims concerning recovery and waste, and claims concerning by-products and recovered ingredients. The first category, which extends beyond the circular economy, includes ‘eco-friendly’ business practices and ‘sustainable and concrete choices.’ These claims are among the most prevalent in the market, including the agri-food sector, and often contribute to greenwashing due to their vagueness. They may create a misleading impression of environmental responsibility and generate the so-called ‘halo effect.’ Secondly, in the realm of recovery and waste, we encounter other generic claims which include ‘zero waste,’ ‘no food waste,’ and ‘from waste to value.’ In this case, there is a risk of misleading consumers by appealing to concerns or guilt surrounding food waste through unquantified and vague statements, hereby distorting perceptions of the actual environmental impact. The use of generic or high-sounding expressions may therefore confuse the average consumer and expose companies to the risk of greenwashing. This,

in turn, may undermine efforts to promote the circular economy by misleading consumers and diverting attention from genuinely sustainable practices. Lastly, most recent claims regarding upcycling, (e.g., 'upcycled ingredients' or 'using food by-products'), are still applied inconsistently in the absence of a harmonised EU legal definition of 'upcycled food' and specific substantiation criteria for such claims. These claims often merely indicate the use of an ingredient that must be already identified in the mandatory list of ingredients, without necessarily conveying additional information about its environmental benefits. Regulation (EU) No. 1169/2011 also requires the quantitative indication of an ingredient in specific circumstances, including where it is emphasised on the labelling or is essential to characterise the food. Moreover, the mere claim that an ingredient is 'upcycled' does not in itself clarify the real environmental benefits of resulting from a recovered ingredient. In this sense, the circular economy is currently portrayed as an attractive narrative rather than providing substantial scientific information.

9.5 EU legal framework addressing greenwashing in B2C commercial practices

Several EU legal instruments are relevant to the regulation of greenwashing and, more specifically, to sustainability and circularity claims in the agri-food sector. A key legal framework is Directive (EC) 2005/29 (the 'Unfair Commercial Practices Directive' - UCPD), which has recently been amended by the Directive (EU) 2024/825 empowering consumers for the green transition ('Empowering Consumers Directive' or ECGTD), adopted in February 2024 as part of the European Green Deal.

9.5.1 The Unfair Commercial Practices Directive (UCPD)

The UCPD is, alongside the Unfair Contract Terms Directive and the Consumer Rights Directive, one of the core instruments of the EU consumer law acquis. It constitutes the main EU instrument governing business-to-consumer commercial practices. The Directive's purpose is set out in Article 1, which states that it aims to ensure 'the proper functioning of the internal market' and a 'high level of consumer protection.' It therefore stands at the intersection of two fundamental objectives of EU law: market integration and consumer protection.

Article 3 defines the scope of the UCPD, providing that it applies to 'unfair business-to-consumer commercial practices, as laid down in Article 5, before, during and after a commercial transaction in relation to a product'. The Directive's scope of application is notoriously broad. It extends to the

entire commercial process, including both pre-contractual and post-contractual conduct, so long as the conduct takes place within business-to-consumer relations. In other words, the Directive does not require an actual purchase for its application. A practice may fall under its provisions even before a contract is concluded (e.g., when a consumer enters a shop or accesses a website in response to a promotional offer) or after its conclusion, as in cases involving non-delivery of goods or inadequate customer service, provided that the conduct remains connected to the transaction. The UCPD introduces a general prohibition for any commercial practice that is contrary to good faith and professional diligence and 'it materially distorts or is likely to materially distort the economic behavior with regard to the product of the average consumer whom it reaches or to whom it is addressed, or of the average member of the group when a commercial practice is directed to a particular group of consumers' (UCPD, Article 5(2) lett. b).

Importantly, Professional diligence represents an objective standard of behaviour and does not depend on the trader's intention (*ignorantia legis non excusat*). This general prohibition is further specified through the categories of misleading and aggressive practices and through a blacklist of practices that are always prohibited. Of particular relevance to greenwashing are misleading practices, which may take the form of either actions or omissions. A misleading action contains false information or is likely to deceive the average consumer, even where the information is factually correct, provided that it causes or is likely to cause the consumer to take a transactional decision that they would not otherwise have taken. The practice must concern material information, including, for example, the main characteristics of the product.

A misleading omission, by contrast, occurs where material information that the average consumer needs to make an informed transactional decision is omitted, hidden, or provided in an unclear, unintelligible, ambiguous or untimely manner. This provision is also closely connected with mandatory disclosure requirements, since information requirements established by EU law in relation to commercial communication are regarded as material under Article 7(5). These provisions provide the general legal basis against which misleading environmental claims have traditionally been assessed under the UCPD.

9.5.2 Directive (EU) 2024/825 as regards empowering consumers for the green transition through better protection against unfair practices and through better information (ECGTD)

The ECGTD Directive (EU) 2024/825 places environmental and circularity claims more explicitly within the scope of EU consumer protection law.

Adopted on 28 February 2024, it amends the UCPD and the Consumer Rights Directive (CRD) with the broader objective of supporting consumers in the green transition. In particular, the Directive responds to the increasing use of sustainability-related marketing by seeking to make environmental information more reliable and to reduce the scope for misleading environmental and circularity claims. The ECGTD introduces for the first time a definition of 'environmental claim' and makes a number of targeted changes to the rules on misleading commercial practices (i.e., Articles 6-7 UCPD and its blacklist). Article 6(1)(b) now expressly includes 'environmental or social characteristics' and 'circularity aspects, such as durability, reparability and recyclability' among the non-exhaustive list of main product characteristics in relation to which consumers must not be misled. These notions, however, remain framed in relatively broad terms. Environmental characteristics encompass environmental aspects, impacts and performance, while circularity aspects are illustrated through a limited list of examples. This open-ended formulation increases the flexibility of the provision, but may also give rise to questions concerning legal certainty and coherence with other areas of EU legislation.

A significant amendment is in Article 6(2)(d) UCPD, which brings environmental claims concerning 'future environmental performance' where the ECGTD specifies the conditions under which they may be considered misleading under the UCPD. Typical examples include commitments such as 'climate-neutral by 2030' or 'carbon-neutral by 2050'. Such claims must be supported by clear, objective, publicly available and verifiable commitments, which must form part of a detailed implementation plan containing measurable and time-bound targets. The plan must also be regularly reviewed by an independent third-party expert, whose findings are made available to consumers. The provision is particularly relevant where traders advertise environmental results that have not yet been achieved. It therefore strengthens the evidentiary basis required for businesses to communicate future sustainability objectives while keeping such claims within the general UCPD framework on misleading commercial practices.

The ECGTD also significantly expands the Annex I blacklist by adding a number of environmentally relevant practices that are considered unfair in all circumstances. Of particular relevance to greenwashing are several prohibitions targeting widespread marketing practices. Generic environmental claims, such as 'environmentally friendly', 'eco-friendly', 'green', 'nature's friend', 'climate friendly', 'biodegradable' or 'bio-based', will therefore be prohibited under the amended rules unless the trader can demonstrate 'recognised excellent environmental performance' relevant to the claim.

Moreover, traders cannot attribute environmental superiority to an entire product or business where the claim in fact concerns only a specific aspect of the product or a limited activity of the trader.

The blacklist also addresses claims specifically related to the circular economy, particularly in relation to durability and early obsolescence. These include, for example, misleading practices concerning software updates and product repairability, thereby bringing circularity considerations more explicitly within the UCPD framework.

9.6 Enforcement

To date, there appears to be no reported enforcement action or judicial decision to have specifically addressed misleading environmental claims concerning the use of upcycled ingredients or by-products in food products. Scholars and policy documents increasingly underscore the risk of greenwashing associated with circular economy narratives in the food sector (Sciortino et al., 2025; Yeter et al., 2025; Falkenberg et al., 2023), particularly concerning ambiguous or unsubstantiated references to 'upcycled,' 'reused,' or 'recovered' ingredients. However, specific administrative enforcement practice or judicial guidance concerning upcycled-food claims has yet to emerge. The lack of enforcement should not be understood as indicating that such claims fall outside consumer protection law. Rather, it may reflect the relatively novelty of upcycled foods, the absence of a harmonised EU definition of 'upcycled food', and uncertainty concerning the criteria and evidence required to substantiate such claims. However, relevant insights can be drawn from similar cases in the agri-food and beverage market concerning misleading circular economy claims, especially in relation to packaging. One relevant example of private litigation is the lawsuit that ClientEarth[1] filed against Nestlé in Poland. The case concerned bottled water with labels like 'I am 100% recycled' and 'I am made from another bottle' which ClientEarth (https://www.clientearth.org/latest/press-office/nestle-poland-sued-for-greenwashing/) alleges create a misleading impression of environmental circularity. The main point of the complaint is that the messages suggest a degree of circularity that, according to the claimant, the recycling infrastructure and the bottles' actual lifecycle did not support. Although the proceedings do not concern upcycled ingredients and no judicial determination should be inferred from the allegations, they illustrate that claims presenting circularity in broad or categorical

[1] https://www.clientearth.org/latest/press-office/nestle-poland-sued-for-greenwashing/

terms may mislead consumers where the underlying processes do not actually deliver the environmental benefits conveyed by those claims. A hypothetical scenario illustrates how upcycled food claims could raise consumer protection concerns. For example, a snack that is advertised as 'made from food waste' or 'saving the planet through upcycled ingredients' might only use a small amount of the by-product ingredient in the final product, while providing no information about its actual environmental benefit. The product's packaging may use images and claims to highlight circularity, but provide little information on the amount of upcycled content, the environmental impact of the production process, or how it compares to other products. In this case, the consumer may perceive the product as more environmentally friendly than it really is and to base their decision to buy it on an incomplete and possibly misleading picture of its environmental qualities. This is particularly relevant as the market for upcycled food expands. Companies can currently frame their sustainability narratives with considerable latitude, as there is no agreed-upon legal definition of 'upcycled food' or standardized requirements for proving circular claims. This gives companies considerable freedom in how they present the sustainability benefits of upcycled products, even where the actual environmental benefits are unclear. As circularity claims become more prevalent in the market, they are likely to attract increasing regulatory attention. Therefore, the absence of enforcement cases concerning upcycled foods does not indicate the irrelevance of the rules. Rather, it may reflect an emerging area in the evolving governance circular economy. From a consumer protection perspective, clear regulatory guidance on circular food claims appears essential to prevent deceptive practices from becoming entrenched in the market.

9.7 Conclusion

The circular economy in the agri-food sector is not just an environmental strategy but also an economic and social opportunity. However, greenwashing represents a concrete threat because it undermines consumer trust and hinders the authentic ecological transition. In this sense, effective regulation is essential to protect consumers and promote transparent practices by companies. In this framework, consumers can be an active part of the transition if they are informed and aware. Policymakers should provide greater regulatory clarity on how developments in the circular economy fit within the existing waste framework. More clarity should be provided regarding the recovery and reuse of by-products, and the legal meaning and conditions of 'upcycling' should be clarified within the existing framework on waste, by-products and circularity. Furthermore, strengthening consumer protection policies, such

as the UCPD, as amendend by the ECGTD, would support more informed consumers' choice, building trust in brands and fostering fair competition in the market. To foster the idea of clear and understandable consumer information about the circular economy in the agri-food sector, the key areas of action include promoting transparency, countering generic or unsubstantiated language, ensuring that sustainability claims are supported by measurable evidence and appropriate indicators, enhancing consumers' education and environmental literacy, supporting credible certification schemes, and promoting collaboration among businesses, regulators, researchers and consumer organisations.

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10

Perception of Brand Humanization by University Students: Development and Testing of the Measurement Scale

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Abstract

This article explores how social and green values contribute to the humanization of university brands as perceived by students, addressing a gap in higher education branding research. As universities seek to build emotionally resonant and ethically grounded identities, the study focuses on operationalizing two key dimensions – social and environmental responsibility – within a brand humanization framework. The authors developed a measurement instrument grounded in the University Social Innovation Management (USIM) model. The instrument included 18 items assessing students' perceptions of socially and environmentally responsible practices across education, operations, and stakeholder engagement. A pilot study involving 42 Latvian university students was conducted to test the internal consistency and conceptual validity of the scale.

Findings indicate that social value indicators, like inclusive infrastructure, internal stakeholder engagement, and communication of social

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impact – are perceived as central to a humanized university brand. In contrast, green values, are seen as secondary and gain relevance only when visibly enacted through infrastructure or policies. The scales demonstrated strong internal reliability, and the moderate correlation between the two subscales supports their theoretical interconnection.

The study contributes a validated tool for assessing value-based brand humanization in higher education and offers insights for universities aiming to strengthen brand authenticity, student engagement, and stakeholder trust. These findings highlight the importance of making both social and environmental commitments visible and relatable to students and lay the groundwork for further cross-cultural studies in higher education branding.

10.1 Introduction

Brand humanization is increasingly positioned as a bridge between the branding and the need to preserve HE's non-commercial values. There is substantive evidence suggesting that when brands express human-like qualities and value orientations, they foster emotional connection, ethical identification, and trust. A university that acts consistently with human-centered values is more likely to be viewed as a human-oriented institution and positively evaluated by its stakeholders (Vernuccio et al., 2025; Mirzaei et al., 2024). Based on Li and Chu (2025) and Klingler-Vidra et al. (2025), a university that expresses social values tends to be seen as more human and relatable. A university that fosters fairness and a sense of belonging through images and text on its website in alignment with community concerns is perceived more positively (Hussain, 2025; Li & Chu, 2025; Pinochet et al. 2024; Vernuccio et al. 2025). The HEI is treated as a human-oriented one, if it adopts green values across all its activities (Vargas-Merino, 2025; Sehgal et al., 2023). Besides, university branding should be approached holistically by considering all the brand equity dimensions collectively (Dholakia & Acciardo, 2014; Gómez-Bayona et al., 2024; Hemsley-Brown & Oplatka, 2006; Pinar et al., 2014).

In the age of circular economy, the role of education becomes broader, and includes also shaping social values and improving sustainable citizenship competences. These competencies enable the promotion of responsible consumption and sustainable behaviour in general, as well as a focus on information transparency, including awareness and correct perception of "greenwashing". In this regard, the brand humanization is not only a marketing tool, but a way of assessing whether the HEI is perceived as a morally responsible actor within the circular eco-system.

The universities differ from other enterprises in both structure and societal function. While the humanization of institutional brands has been increasingly discussed, its application to higher education, especially in the context of university branding, remains underexplored. This is particularly true for the Baltic states, where regional histories, cultural norms, and socio-political legacies may shape how people interpret institutional values and brand signals. Therefore, there is a clear need for empirical research within the specific socio-cultural and educational landscape of the Baltics.

The overwhelming goal of the research is to investigate the role of social and green values of university perceived by students. The current chapter reflects the results of the first research stage and aims at testing a measurement instrument that consists of two groups of items: 1) social values of universities, and 2) green values of universities.

Measurement scales (B and C parts of the questionnaire) were tested for internal consistency, using Cronbach alpha McDonald's Omega coefficients. Data was processed by means of frequency analysis and correlation analysis. Such testing will not only validate or refine the proposed framework but also provide insights into whether and how value-based brand humanization strategies translate to universities in this unique regional context.

Preliminary findings indicate a high level of perceived importance of socially-oriented dimensions in the university activities. In particular, inclusiveness, stakeholder engagements, and integration of human values into learning. Environmental aspects are not prioritised. The future testing will be focused on the relationship between students' perception of university green values and their own environmental values. This, probably, will clarify the situation. Regarding the measurement instrument, testing results provide empirical support for internal consistency of the constructs.

On the viewpoint of consumer-centred sustainable development, the proposed measurement scale

10.2 Human-Value Orientation and Brand Humanization of Universities

Universities do not merely function as centres of knowledge production – they also serve as institutional embodiments of human values. These values are not peripheral to branding but instead emerge as defining elements in how universities construct a humanized and ethically grounded institutional identity. By embedding human values across a wide range of activities, universities can demonstrate their alignment with sustainable development goals and circular economy principles. This, in turn, fosters cognitive,

moral, and emotional attachment among stakeholders. One emerging strategy for cultivating such attachment is the humanization, also known as anthropomorphism, of the university brand. According to Vernuccio et al. (2025), brand anthropomorphism refers to the attribution of human-like features to non-human agents, including technologies (Rehman et al., 2025) and institutions.

Humanized or anthropomorphized brands enhance appeal by integrating human-like physical features (Hussain, 2025; Li & Chu, 2025; Vernuccio et al., 2025), behavioral traits (MacDorman, 2024), and moral integrity (Hussain, 2025). These qualities generate emotional attachment in people (Huang & Liu, 2021; Hussain, 2025; Rehman et al., 2025) through various mechanisms, including empathy (Sutil-Rodríguez et al., 2025), respect (Hussain, 2025) and interpersonal interactions (Huang & Liu, 2021), which appeal to the inherently social nature of human beings, who are neurologically driven to seek social connection (Kanterman & Shamay-Tsoory, 2025), build trust, and derive meaning through shared values and collective belonging. Supporting this, Pinochet et al. (2024) and MacDorman (2024) found that user satisfaction with digital experiences increases when chatbots are designed with human-like characteristics, while Vernuccio et al. (2025) reported similar findings in virtual reality contexts. Further evidence from generative AI research shows that perceived respect, trustworthiness, and ethical behaviour of non-human agents shape more positive attitudes among humans towards non-human systems (Hussain, 2025), underscoring the relational impact of human-like cues across mediated interactions. These results underscore the relational power of perceived human presence, even in mediated, non-human interactions. Overall, brand humanization operates on four interconnected layers: physical characteristics (e.g., human-like interfaces or design), moral integrity (e.g., ethical stance and fairness), emotional engagement (e.g., empathy, warmth, responsiveness), and cognitive experience (e.g., clarity, understanding, and meaningful interaction) (Hussain, 2025), which allows brands to tell customers a story (Chen et al., 2025), not merely make a statement.

Considering that universities do not resemble people physically and do not act as individuals, brand humanization of universities should be conveyed through other mechanisms. One such mechanism is the articulation and communication of human values, which function as symbolic expressions of human-like identity (Mirzaei et al., 2024). These values contribute to shaping a human-like institutional identity by reflecting principles that are emotionally and socially resonant with stakeholders. Because values are inherently

human constructs, they serve as both cognitive and emotional anchors helping individuals interpret social realities, evaluate institutional authenticity, and decide whether to engage or withdraw.

This interpretive function of values supports the development of perceived similarity, a key psychological mechanism underlying human social connection and trust. Based on Bortolini et al. (2024), humans are neurologically predisposed to form attachments not only with people, but also with inanimate objects and abstract entities. Therefore, people can develop attachment to university brands through values. However, values can be shared, if similar, or distant, if disapproved. Therefore, it is the perception of positive similarity that fosters deeper emotional, social and cognitive connection, leading to the formation of brand credibility and loyalty in human perception. As shown by Ballester et al. (2025), when audiences perceive that a social agent, such as an influencer, shares their values, they are more likely to trust, support, and advocate for it. Thus, in the university context, this value-based similarity enables stakeholders to develop emotional and even social attachment to institutions, which, while abstract and inanimate, come to embody shared human meaning and purpose.

Human values, much like in individuals, form the core of an institution's identity. When universities consistently articulate and embody human values, they cultivate a human-like identity that stakeholders can recognize, relate to, and trust. This humanized institutional identity is not merely a conceptual or academic construct; it has also tangible strategic implications. As Mirzaei et al. (2024) argue, when organizations infuse human values into their brand communication, they foster not only emotional connection but also competitive advantage. In the case of universities, such value-driven positioning contributes to building a distinct and authentic brand personality (Rutter et al., 2017; Struweg & Wait, 2022), increasing the institution's relevance and legitimacy in the eyes of stakeholders. In a crowded and increasingly value-sensitive educational landscape, this human-value orientation becomes a critical tool for reputation building, stakeholder engagement, and long-term institutional success.

Within the context of higher education, the dimensions of brand humanization function synergistically, each shaping how stakeholders perceive and relate to a university. If stakeholders perceive coherence across these dimensions, they do not merely observe values – they experience them. This lived experience enables them to interpret the university as a socially embedded and humanized institution, capable of fostering trust, connection, and shared belonging. Therefore, when integrated, these values form a higher-order

outcome: the social dimension, which reflects the institution's ability to act as a relational, inclusive, and community-centered entity – an identity grounded in shared social values. Similarly, Li and Chu (2025) emphasize the social dimension of brand humanization, noting that when brands interact with consumers simulating genuine interpersonal relationships, they foster social anthropomorphism – the perception of the brand as a social agent capable of forming authentic relational bonds.

10.3 Social Values of Universities

Furthermore, as institutions deeply embedded within broader social ecosystems, universities are expected to act as ethical and socially responsive actors that actively contribute to the public good (Abrahao et al., 2024; Shoukat et al., 2024). In response to these growing expectations, many universities have adopted the concept of University Social Responsibility (USR), which evolved from the concept of Corporate Social Responsibility, through which they institutionalize commitments to equity, community engagement, transparency, and stakeholder well-being. USR provides a structured mechanism through which universities articulate and operationalize social values such as equity, justice, inclusivity, and civic engagement. This involves addressing the needs of diverse stakeholder groups, including students, local communities, and civic partners, through practices like knowledge sharing, community outreach, and problem-oriented education (Abrahao et al., 2024; Shoukat et al., 2024). USR initiatives reflect the university's moral and relational commitments, positioning it as an actor accountable to its social ecosystem. Importantly, empirical studies show that USR policies not only enhance the university's ethical standing but also lead to tangible outcomes such as increased student satisfaction, stakeholder trust, and stronger relational bonds (Nazneen et al., 2023). In this sense, USR functions as a visible and measurable institutional expression of the social values that underlie a humanized university brand.

While USR has become a widely accepted framework for embedding ethical and social commitments within higher education institutions, its effectiveness in increasingly competitive and performance-driven environments depends on its ability to generate measurable and innovation-driven outcomes. In this regard, the concept of University Social Innovation Management (USIM), as developed by Vargas-Merino (2025), offers a strategic extension of USR. USIM emphasizes the operationalization of social values as tools for organizational innovation, competitive differentiation, and stakeholder value creation. Rather than viewing social engagement as

an end in itself, USIM positions it as a platform for developing dynamic capabilities within the university's relational ecosystem. Vargas-Merino's (2025) empirical work identifies core dimensions of this approach: institutional focus on solving social problems, promoting civic and democratic values; enhancing the quality of life; tailoring education to community needs; adapting to social change; and fostering multi-stakeholder engagement. These practices illustrate how socially embedded values can serve as catalysts for strategic innovation and reputational advantage and can be used as measurable values, enabling stakeholders to assess whether a university acts as a morally grounded, socially responsive, and relationally engaged actor.

Importantly, non-human entities can act as perceived social agents when endowed with human-like characteristics (Golossenko et al., 2020). Drawing on prior research, Golossenko et al. (2020) argued that socially anthropomorphised entities can satisfy individuals' social needs, particularly in contexts marked by emotional detachment or limited interpersonal interaction. In such cases, people respond to these entities as if they possess social presence and emotional responsiveness. Similarly, Rehman et al. (2025) found that users frequently interpret interactions with AI-driven virtual influencers as encounters with human-like social agents. Rangel et al. (2024) found that when Espíritu Santo University Technology in Ecuador added social activities within university brand humanization strategy, positive reactions to universities increased. Such findings underscore the broader principle that perceptions of sociality and value alignment are not limited to human actors, but can emerge in mediated, institutional, or digital contexts. In the university setting, this suggests that when social values are visibly embedded in institutional strategies, discourse, and practices, they shape how the university is emotionally and ethically evaluated by stakeholders. Regardless of form, such values contribute to perceptions of trustworthiness, warmth, and relational authenticity, which form key dimensions of a humanized institutional identity.

Thus, while human values offer a broad conceptual foundation for institutional identity, there remains a need to examine which specific categories of values most effectively shape stakeholder perceptions. Social values are important because they form the basis for social identity and foster emotional and social attachment with an institution. These values are expected to signal a university's commitment to the public good, which can enhance perceptions of humanization. However, the extent to which expressing and embedding social values contributes to a university's humanized image remains underexplored.

10.4 Green Values of Universities

Human values are not limited to social dimensions; they also encompass broader ethical responsibilities that transcend generational and geographic boundaries. Among these responsibilities is a deep concern for the collective wellbeing of future generations and the sustainability of life on the planet. As such, the scope of human values extends to include ecological consciousness and environmental ethics, which form the foundation of green values. Notably, this expansion has led to the emergence of environmental values as a distinct category within ethical norms guiding environmentally responsible practices (Roy, 2023). These values signal a university's moral and strategic orientation toward climate responsibility, ecosystem preservation, and long-term planetary health, reinforcing its identity as an ethically grounded and future-oriented institution. Aftab et al. (2022) emphasize that environmental ethics are essential to sustainable organizational performance, directly linking ecological responsibility with institutional credibility. In a similar vein, Pavesi et al. (2025) argue that green values are integral to an organization's strategic identity, shaping how it is perceived externally and how it maintains legitimacy internally.

As environmental concerns become increasingly urgent, universities are under growing pressure to lead by example in demonstrating ecological responsibility. Beyond their roles in education and research, institutions are expected to embody environmental values through tangible actions that reflect societal expectations and ethical imperatives. Initiatives such as carbon neutrality, renewable energy integration, and sustainable campus infrastructure now serve as visible signals of an institution's alignment with climate ethics and its responsiveness to stakeholder demands. These are no longer viewed as operational choices but as expressions of moral accountability linked to social justice, health equity, and public trust. Therefore, embedding environmental priorities in university policies is no longer optional but essential (Shoukat et al., 2024). Vargas-Merino (2025) identifies sustainability efforts, such as waste reduction and climate responsiveness, as core to institutional innovation and legitimacy.

When such environmental commitments are perceived as authentic, they foster what Han et al. (2025) term green loyalty, a form of emotional alignment and trust that deepens stakeholder attachment. Green initiatives, particularly the presence of green spaces, contribute not only to physical and psychological wellbeing but also shape perceptions of institutional empathy, care, and inclusiveness (Rigolon et al., 2024; Xu et al., 2024). Sun et al. (2025) adds that transparent internal communication of green values

promotes environmentally responsible behaviours among staff, further reinforcing the university's external brand perception. In parallel, De Oliveira et al. (2023) highlight that effective visual communication of environmental efforts enhances institutional transparency and integrity, strengthening stakeholder trust.

From the perspective of brand humanization, green values transcend their operational role and emerge as ethical signifiers of human concern, collective responsibility, and long-term care for the planet. When institutions visibly prioritize ecological well-being, they align with deeply human ideals, such as fairness, planetary justice, and intergenerational responsibility, while fostering perceptions of empathy, care, and socioemotional attachment. In this way, green values function not only as practical commitments but also as symbolic and ethical expressions of institutional humanity, reinforcing the university's identity as a morally grounded and human-centred organization. The growing importance of this alignment is evident in the emergence of green brand anthropomorphism – a concept rooted in emotional attachment—where environmental responsibility strengthens brand identity and relational meaning (Sehgal et al., 2023).

Despite increasing attention to sustainability in higher education, the role of green values in shaping stakeholder perceptions through brand humanization remains underexplored. Most studies focus on institutional sustainability performance, while less is known about whether environmental commitments contribute to the perception of universities as human-like institutions. This creates a conceptual gap between ecological responsibility and the mechanisms of brand humanization. To address this, it is necessary to examine whether green values function not only as operational goals but also as relational signals that foster humanized perceptions of universities.

10.5 Methodology

To achieve the research goal, Latvian students were surveyed, using the authors' developed research instrument. This chapter reflects the results of analysis of the perception of social and green values only. Inclusivity and Diversity aspect will be analysed separately.

The statements included into the questionnaire cover three dimensions of the scale from the University Social Innovation Management Model (USIM), created by Vargas-Merino (2025): (1) education, (2) operations, and (3) stakeholder engagement. The authors excluded Research dimension from the scale.

The questionnaire contains 3 main blocks: A – respondent profile questions (gender, age, education level, education field); B – nine statements on Social values; C – nine statements on Green values.

The statements, related dimensions and labels are presented in Table 10.1 (Social values) and Table 10.2 (Green values).

A pilot survey was conducted among Latvian students. Participants were offered to evaluated the statements, using 5-point measurement scale on the perceived importance in evaluation of HEI: 1 – this is not important to me at all; 5 – this is very important.

10.5.1 Respondent profile

The pilot study involved 42 students from Latvian higher education institutions. Participants were recruited from business, management, IT, and cultural management programmes at Latvian higher education institutions via voluntary participation.

The sample consisted of 64% females (n=27) and 36% males (n=15). Respondents' ages ranged from 19 to 44 years, with the majority (70%) between 20 and 25 years, indicating a typical university student age profile. All participants were residents and citizens of Latvia.

In terms of study field, the largest share of participants represented Management and Marketing (57%), followed by Cultural Management (19%) and Information Technologies (14%). A smaller proportion (10%) of respondents studied Arts, Game Design, or other programmes.

10.5.2 Reliability analysis

To assess the internal consistency of the instrument, both Cronbach's Alpha (α) and McDonald's Omega (ω) coefficients were calculated for the two subscales. Both subscales demonstrate satisfactory reliability, supporting their suitability for further analysis in this pilot study (Table 10.3).

The Social Values Scale (9 items) demonstrated good reliability (α = 0.838; ω = 0.849), indicating stable inter-item consistency. Item-deletion analysis showed that reliability would not improve substantially if any item were removed (α = 0.799–0.852; ω = 0.816–0.857).

The Green Values Scale (9 items) revealed excellent internal consistency (α = 0.939; ω = 0.942), confirming that the items consistently measure a coherent construct. The "if-item-dropped" range (α = 0.929-0.936; ω = 0.931-0.939) suggests that each item contributes meaningfully to the scale.

Table 10.1 Statements of B part "Social Values" (Source: developed by Authors)

Dimension	Statement	Label	Reference supporting the statement
Education	The university integrates human values and ethical principles into its curriculum.	(S1) Human values in curricula	Dichter (2015); Horng et al. (2019)
Education	The university promotes socially responsible behaviour among students through educational activities.	(S2) Social responsibility education	Lee et al. (2025)
Education	The university uses socially meaningful visuals in study materials to show its commitment to social and ethical values.	(S3) Social values in learning materials	Klingler-Vidra et al. (2025)
Operations	The university openly shares its social goals and reports on progress toward achieving them.	(S4) Institutional transparency	McKenzie et al. (2023)
Operations	The university visually presents its social responsibility actions (e.g., on its website or other platforms).	(S5) Visible social responsibility	Gorska et al. (2023)
Operations	The university provides accessible and inclusive campus facilities and services (e.g., barrier-free infrastructure, inclusive common areas) that support all members of the university community	(S6) Inclusive campus infrastructure	Morina & Morgado (2018)
Stakeholder engagement	The university cooperates with external stakeholders to enhance their well-being and contribute to broader socioeconomic development.	(S7) External stakeholder engagement	Bayuo et al. (2020); Jong and Balaban (2022)
Stakeholder engagement	The university regularly uses feedback from students and employees to improve study and employment practices.	(S8) Internal stakeholder engagement	Galvao et al. (2019); Rodríguez-Gomez et al. (2022)
Stakeholder engagement	The university shares stories (e.g., videos, social media posts) showing how it has supported the goals or potential of students, staff, community members, or partners.	(S9) Communicating social impact	Carl and Menter (2021); Ibáñez-Forés et al. (2023)

Table 10.2 Statements of C part "Green Values" (Source: developed by the Authors)

Dimension	Statement	Label	Reference supporting the statement
Education	A university integrates environmental concerns into its teaching and curriculum design (there are specific study courses or study programmes on environmental sustainability; there are green issues-related topics or assignments within other courses)	(G1) Green curricula	Aftab et al. (2022); Han et al. (2025)
Education	The university offers opportunities for students to participate in sustainability-related research projects or community-based environmental initiatives	(G2) Sustainability participation	Roy (2023)
Education	Classrooms and learning materials at a university display visible reminders of environmental responsibility (green messages, waste-sorting guides, energy-saving instructions, etc.)	(G3) Green learning environment	Xu et al. (2024)
Operations	A university embeds environmental sustainability into its policy documents /strategies (energy use, waste management, etc.)	(G4) Sustainability policy	Putri et al. (2025); Pavesi et al. (2025)
Operations	The design and layout of university buildings and operational spaces incorporates eco-friendly construction materials, solar panels, rainwater harvesting, led lighting and etc.	(G5) Eco-friendly infrastructure	Rigolon et al. (2024)
Operations	The university implements sustainable waste management practices, including waste reduction, reuse, and recycling programs across campus	(G6) Sustainable waste management	Ebrahimi, & North (2017)
Stakeholder engagement	A university encourages environmentally responsible behaviour of its stakeholders (students, staff, others)	(G7) Responsible behaviour promotion	Shahzad et al. (2024)
Stakeholder engagement	A university's promotes green values through its outreach programs to communities	(G8) Promotion of green values	Xie et al. (2024)
Stakeholder engagement	A university visibly incorporates environmental values into the outcomes of its stakeholder collaborations (joint reports, digital platforms, and shared resources)	(G9) Green collaboration outcomes	De Oliveira et al. (2023)

Table 10.3 Reliability Statistics

Reliability Statistics	Cronbach's α	McDonald's ω	Interpretation
Social Values Scale (9 items)	0.838	0.849	Good
If Item dropped	0.799-0.852	0.816-0.857	Good
Green Values Scale (9 items)	0.939	0.942	Excellent
If Item dropped	0.929-0.936	0.931-0.939	Excellent

10.6 Results

The results of this pilot study provide an initial empirical assessment of the proposed instrument measuring the social and green value dimensions of university brand humanization.

Descriptive statistics and frequency analyses were conducted to capture the relative importance of each item, followed by correlation analyses to examine relationships between the two subscales. This two-stage approach allows for both a general overview of students' value orientations and a preliminary evaluation of the instrument's construct validity, highlighting how social and green values jointly contribute to the perception of a humanized university brand.

10.6.1 Frequency analysis

Descriptive statistics for the nine items of the **Social Values Scale** (Table 10.4) indicate that respondents generally assigned **high importance** (Mdn=4, Mode=4) to social responsibility-related aspects of university activity.

Frequency analysis shows that 81% of respondents rated *Inclusive campus infrastructure* and *Internal stakeholder engagement* as important or very important (4-5), while 71-67% did so for *Social responsibility education*, *Communicating social impact*, and *Human values in curricula*. Lower levels were observed for *Visible social responsibility* (60%), *Social values in learning materials* and *Institutional transparency* (55%), and *External stakeholder engagement* (38%). Variability across items was generally low (IQR=1.00), indicating consistent evaluations, with slightly higher dispersion for *Communicating social impact* (IQR=2.00).

Overall, these results indicate that students strongly value socially responsible and inclusive dimensions of university life, emphasizing openness, engagement, and communication as core elements of institutional social responsibility.

Table 10.4 Descriptives Statistics and Frequency Analysis for Social Values Scale (9 items)

Social Values Scale					**Importance level***		
Item (label)	**N**	**Median**	**Mode**	**IQR**	**1–2**	**3**	**4–5**
(S6) Inclusive campus infrastructure	42	5.00	5.00	1.00	7%	12%	81%
(S8) Internal stakeholder engagement	42	4.00	4.00[a]	1.00	0%	19%	81%
(S2) Social responsibility education	42	4.00	4.00	1.00	5%	24%	71%
(S9) Communicating social impact	42	4.00	5.00	2.00	7%	26%	67%
(S1) Human values in curricula	42	4.00	4.00	1.00	5%	29%	67%
(S5) Visible social responsibility	42	4.00	4.00	1.00	17%	24%	60%
(S3) Social values in learning materials	42	4.00	3.00	1.00	5%	41%	55%
(S4) Institutional transparency	42	4.00	3.00[a]	1.00	10%	36%	55%
(S7) External stakeholder engagement	42	3.00	3.00	1.00	24%	38%	38%

Note. Median, Mode, and IQR (Q3–Q1) reported for ordinal Likert-type data. Evaluated on a five-point Likert scale, where 1=not important for me at all; and 5=very important for me.

[a]More than one mode exists; only the first is reported.

Descriptive statistics and frequency analysis for the **Green Values Scale** (Table 10.5) indicate that respondents generally attributed **moderate importance** to environmentally oriented university practices, with median scores clustering around 3.00.

The highest rated item was *Responsible behaviour promotion* (Mdn=3.5, Mode=4), followed by *Eco-friendly infrastructure* and *Sustainable waste management* (Mdn=3.0). About 48–50% of respondents rated these items as important or very important (4-5). The lowest perceived importance was attributed to *Sustainability policy* (24%, rating 4-5). Variability across items ranged from low to moderate (IQR=1.00-2.00). Broader dispersion was observed for *Green learning environment*, *Promotion of green values*, and *Green curricula* (IQR=2.00), suggesting that perceptions toward these educational and promotional dimensions of sustainability were more diverse among respondents.

Table 10.5 Descriptive Statistics and Frequency Analysis for Green Values Scale (9 items)

Green Values Scale Items (label)	N	Median	Mode	IQR	Importance level* 1-2	3	4-5
(G7) Responsible behaviour promotion	42	3.50	4.00	1.00	21%	29%	50%
(G5) Eco-friendly infrastructure	42	3.00	3.00	1.00	21%	31%	48%
(G6) Sustainable waste management	42	3.00	3.00	1.75	26%	31%	43%
(G3) Green learning environment	42	3.00	3.00	2.00	31%	33%	36%
(G9) Green collaboration outcomes	42	3.00	3.00	1.00	24%	41%	36%
(G8) Promotion of green values	42	3.00	3.00	2.00	29%	38%	33%
(G2) Sustainability participation	42	3.00	3.00	1.00	21%	48%	31%
(G1) Green curricula	42	3.00	3.00	2.00	29%	43%	29%
(G4) Sustainability policy	42	3.00	3.00	1.00	33%	43%	24%

Note. Median, Mode, and IQR (Q3–Q1) reported for ordinal Likert-type data. Evaluated on a five-point Likert scale, where 1 = not important for me at all; and 5 = very important for me.

Overall, the results suggest that students recognise the relevance of green-related values but view them as moderately important rather than central to university identity.

10.6.2 Correlation analysis

To further examine the construct validity of the instrument, a non-parametric correlation analysis on sub-scale and item-level was performed. This two-step approach enables a more nuanced understanding of how students perceive the interconnection between social and green value constructs within the broader framework of university brand humanization.

First, a Spearman's rank correlation was calculated between the *composite scores of the Social Values and Green Values* scales to assess the overall association between these two value dimensions. As each variable was measured on a five-point Likert scale, included multiple items representing the same construct, and demonstrated satisfactory internal consistency (α, $\omega \geq 0.70$), the items were treated as quasi-continuous measures. This allowed

Table 10.6 Correlation between Social Values and Green Values

		Composite Score for Social Values
Composite Score for Green Values	Spearman's rho	0.593
	df	40
	p-value	<.001

the use of averaged composite scores to represent respondents' overall orientation toward social and green values (Carifio & Perla, 2008; Norman, 2010). The results are presented in Table 10.6.

The observed correlation (Table 10.6) provides preliminary evidence that the instrument functions as intended in this pilot study. The **moderate, positive association** between the Social and Green Values subscales ($\rho = 0.59$, $p < 0.001$) suggests that participants who highly value socially responsible university practices also tend to emphasise environmental and sustainability-related dimensions. This pattern is consistent with theoretical expectations and indicates that the instrument captures two related yet conceptually distinct facets of value-based university perception – an encouraging sign of its construct validity in the current context. As highlighted by Vargas-Merino (2025), universities often integrate social and environmental commitments through coherent social innovation and sustainability strategies, while Vernuccio et al. (2025) and Mirzaei et al. (2024) note that humanized institutional brands derive their authenticity from the consistent alignment of moral, social, and ecological values. Furthermore, Aftab et al. (2022) and Roy (2023) provide empirical evidence that social and green ethics jointly underpin sustainable institutional performance and stakeholder trust, reinforcing the conceptual unity between these two value domains.

Second, an *item-level correlation matrix* was explored to identify relationships among specific indicators and to evaluate the internal coherence and conceptual overlap between items representing social and environmental responsibility.

Authors summarised and presented in Table 10.7 only the correlations with highest statistical significance ($p < 0.01$ and $p < 0.001$) between Social and Green value indicators, highlighting the most meaningful relationships[1].

Most correlations (Table 10.6) ranged from **weak-to-moderate** ($\rho = 0.397$-0.485) to **moderate-to-strong** ($\rho = 0.501$-0.648), suggesting

[1] Full correlation matrix, is available from the authors upon request.

Table 10.7 Item-Level Correlation Matrix Between Social and Green Value Scales (Spearman's ρ, *df*=40)

Social Values Items → Green Values Items ↓	**(S2) Social responsibility education**	**(S3) Social values in learning materials**	**(S4) Institutional transparency**	**(S5) Visible social responsibility**	**(S7) External stakeholder engagement**	**(S9) Communicating social impact**
(G3) Green learning environment	**0.529*** **		0.421**	**0.648*** **	**0.558*** **	0.402**
(G9) Green collaboration outcomes	0.466**	0.496**		**0.555*** **	**0.501*** **	0.480**
(G7) Responsible behaviour promotion	0.435**	0.424**		**0.506*** **	0.456**	
(G2) Sustainability participation	**0.512*** **			0.485**	0.399**	
(G8) Promotion of green values				0.430**	0.409**	0.401**
(G1) Green curricula	**0.578*** **	0.434**				
(G4) Sustainability policy				**0.568*** **	0.465**	
(G6) Sustainable waste management				0.441**	0.397**	

Note. ** p<0.01, *** p<0.001; Only statistically significant correlations are reported (p<0.01, p<0.001).

meaningful yet differentiated links between social and environmental value orientations within the university context.

The strongest relationships emerged between *Green learning environment* and *Visible social responsibility* ($\rho = 0.648$, $p<0.001$), and between *Sustainability policy* and *Visible social responsibility* ($\rho = 0.568$, $p < 0.001$), indicating that visible institutional practices of responsibility align closely with sustainability-related perceptions. Similarly, educational components such as *Green curricula* and *Social responsibility education* ($\rho = 0.578$, $p < 0.001$) highlight the intersection between pedagogical and sustainability-driven values.

The correlation patterns suggest that students perceive social and environmental responsibility as interconnected elements of a university's moral identity. Strong links between visible social responsibility and sustainability-related practices indicate that ecological engagement is associated with tangible institutional behaviour rather than abstract commitments. This pattern supports earlier findings that authentic, humanised university brands integrate moral, social, and ecological values into a coherent system (Vernuccio et al., 2025; Mirzaei et al., 2024; Vargas-Merino, 2025).

Overall, the results confirm that social and green dimensions are interconnected but distinct constructs – supporting the theoretical coherence and preliminary construct validity of the instrument within this pilot study.

10.7 Discussion and Conclusion

This study addressed a research gap in understanding how university brand humanisation manifests through social and green values, particularly within the Baltic higher education context. The pilot phase focused on testing a newly developed instrument designed to capture students' perceptions of these two value dimensions. The results provide preliminary evidence on how students interpret moral and ecological responsibility within university identity, while confirming the instrument's reliability.

The proposed measurement scale offers an empirically-substantiated ground for understanding how education institutions can contribute to consumer-centred circular economy transitions through fairness, transparency, and responsible behaviours.

The following discussion connects these findings to existing theories of brand humanisation and University Social Responsibility (USR) and outlines key methodological insights and directions for future research.

10.7.1 Student perceptions of brand humanisation through social and green values

The results of this pilot study align with the theoretical perspectives outlined by Vernuccio et al. (2025), Mirzaei et al. (2024), and Hussain (2025), who concluded, that authentic, humanised brands are perceived as more trustworthy and relatable when they demonstrate moral and social integrity. In line with these arguments, students in this study attributed the highest importance to *inclusive infrastructure*, *stakeholder engagement*, and *social responsibility education* – dimensions reflecting relational authenticity and ethical engagement.

This supports the concept of University Social Responsibility (USR) as an expression of institutional human values (Abrahao et al., 2024; Shoukat et al., 2024; Nazneen et al., 2023), demonstrating that universities are not merely educational entities, but moral and social actors. Students perceived as important the visibility and communication (*Communicating social impact*, *Visible social responsibility*), that is in line with Gorska et al. (2024) and Ibáñez-Forés et al. (2023), who found that transparent and accessible communication of social actions enhances institutional legitimacy and perceived warmth.

In contrast, the more moderate ratings for green values suggest that environmental engagement, while recognised, is not yet a dominant part of how students define a "humanised" university brand. This finding supports Vargas-Merino's (2025) observation that universities typically approach sustainability as an operational rather than a relational or emotional component of their identity. The correlations between *Visible social responsibility* and *Sustainability policy* or *Green learning environment* indicate that ecological awareness strengthens the perception of responsibility primarily when it is visibly enacted – a pattern consistent with findings by De Oliveira et al. (2023) and Rigolon et al. (2024) on the symbolic power of visible environmental practices.

Overall, the findings suggest that students' sense of university humanisation is strongly grounded in social connectedness and moral authenticity, whereas ecological responsibility contributes additively by reinforcing perceptions of integrity and care. These results extend Li and Chu's (2025) and Klingler-Vidra et al.'s (2025) perspectives, showing that social and environmental values coexist in universities but differ in importance depending on how visible and personally relevant they are to students.

10.7.2 Pilot testing of the instrument

From a methodological standpoint, this pilot study provides encouraging evidence for the reliability and construct validity of the developed instrument. Both the Social and Green Values subscales achieved high internal consistency ($\alpha \geq 0.80$; $\omega \geq 0.80$), comparable to benchmarks used in other recent validation studies (Golossenko et al., 2020; Vargas-Merino, 2025). The moderate correlation between the subscales ($\rho = 0.59$, $p<0.001$) confirms their theoretical relatedness while preserving conceptual distinctiveness.

The strongest item-level correlations – such as between *Social responsibility education* and *Green curricula* – support the integrated framework proposed by Aftab et al. (2022) and Roy (2023), where ethical and ecological orientations jointly underpin sustainable institutional reputation. These empirical patterns suggest that students perceive both domains as components of a broader moral ecosystem, which strengthens the case for extending the University Social Innovation Management (USIM) model (Vargas-Merino, 2025) toward a multidimensional brand humanisation framework.

Hence, the pilot results confirm the conceptual coherence of the instrument and its potential for future application in comparative or cross-cultural studies assessing the moral and environmental dimensions of university branding.

10.7.3 Practical implications

Considering that citizens with sustainable mind-sets and behavior play a key role in the transition towards circular economy (Kruger & Molas, 2021), the universities become important communication channels and enablers in the process of citizens' capacity-building. Based on research findings, the "green values" had less priority for students comparing with "social values". This could be an indicator of the issue that circular-economy-related governance aspects (e.g., sustainability policy, sustainable waste management, and etc.) are not sufficiently concrete and visible. This, in turn, means that HEIs willingness to support responsible consumption and circular practices should not rely only on strategies, plan and statements in the documents. Circular actions should be oriented on changes in behavioural patterns (implementation of waste recycling systems in campus, reuse/repair initiatives, and clear procedures, and etc.). The developed instrument could be used on a regular basis by HEI administration with application of "performance" evaluation scale. This will allow not only to assess the perceived importance of certain initiatives, but to assess the *status quo* and to plan future actions.

10.7.4 Limitations and further research

As this study represents a pilot stage of instrument development, certain limitations should be acknowledged.

Although small samples are acceptable in early validation studies aimed at assessing internal consistency, item functioning, and conceptual clarity, the limited sample size (n = 42) in this study remains a constraint for broader statistical generalization.

Another contextual limitation arises from the focus on Latvian students only, excluding other stakeholder perspectives such as academic or administrative staff and external partners. This provides a valuable but partial insight into university brand humanization within a specific national and cultural setting.

Future research should therefore pursue broader validation, including a larger and more diverse respondent base and representation from multiple stakeholder groups. Once scale stability is confirmed, complementary qualitative approaches (e.g., interviews or focus groups) could deepen understanding of how different university actors interpret social and green values.

Moreover, future work should test the full model of university brand humanization, reintegrating the *Inclusivity and Diversity* dimension and exploring potential mediating factors such as institutional trust (Aftab et al., 2022), sense of belonging (Mirzaei et al., 2024), or perceived authenticity (Vernuccio et al., 2025), which have been identified in prior research as key mechanisms linking social and environmental responsibility to perceived organizational humanization and authenticity (Hussain, 2025).

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PART III

Creating Sustainable Circular Solutions

11

Design for Reuse and Longevity of Circular Construction Products

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Abstract

The transition to a Circular Economy (CE) in the built environment requires a paradigmatic shift from linear "take-make-dispose" consumption to models that prioritize resource longevity. Design for Longevity (DfL) and Design for Reuse (DfRe) are cornerstone strategies, but their practical implementation is hindered by a lack of unified tools for early-stage design. This chapter addresses this gap by first synthesizing the core technical principles (Design for Disassembly, Adaptability, Modularity) that underpin circular construction.The primary contribution is the development of a novel multi-criteria tool, the "DfLRe assessment system," designed to inform early-stage decision-making. Based on expert surveys, the system evaluates construction products against seven key criteria and ranks the façade systems. This DfLRe system is applied to four common timber façade (TF) typologies. The results reveal critical trade-offs in choosing most suitable products, as the highest-ranking façade system demonstrated poor reusability, while the lowest-carbon option had high maintenance needs. The chapter concludes

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that longevity is not an intrinsic material property but a systemic outcome. The DfLRe framework provides a practical tool for designers to navigate these complex compromises, enabling more informed decisions to slow and close resource loops.

11.1 Introduction

The construction industry is one of the world's largest consumers of raw materials and generators of waste, representing a critical intervention point for the transition toward a circular economy (CE). The traditional linear economic model—characterized by a "take-make-dispose" framework is demonstrably unsustainable. Design for Longevity (DfL) presents a strategic alternative, functioning as a core component of the CE model (Carlsson et al., 2021). DfL aims to design products with an optimal lifetime, extending their utility through practices such as durability, reuse, repair, refurbishment, and remanufacturing (C. A. Bakker et al., 2021). This approach fundamentally "slows the resource loop" by keeping products and materials at their highest value state for as long as possible (Bocken et al., 2016).

Despite growing consensus on its importance, the practical implementation of DfL in the built environment faces significant barriers. Scholarly consensus indicates that the fragmentation of knowledge and the lack of a unified circular design approach impede the diffusion of circularity in the professional practice (Hart et al., 2019). The long lifespans and material intensity of buildings (Hart et al., 2019) demand a tailored and systemic approach.

This chapter provides a critical review and synthesis of the primary strategies supporting and underpinning DfL in circular construction products for facades. At first it analyzes the principles of design for disassembly, adaptability and reuse. Further, an assessment system is established for informing the Design for Reuse and Longevity in chossing a most suitable façade system enabling. The findings are presented followed by discussion and conclusions.

11.2 Methodology

This chapter employs a critical review and synthesis of academic and professional literature to construct a conceptual framework for Design for Reuse and Longevity in the built environment. This study is not empirical but methodological, based on a structured analysis of existing research.

A systematic literature search was conducted utilizing prominent academic databases, including Scopus, Web of Science, and Google Scholar.

Key search terms included "Design for Longevity," "circular economy" AND "Design for Disassembly (DfD)," "Design for Reuse (DfR)," "modular construction".

The selection process prioritized peer-reviewed articles from high-impact journals, seminal conference proceedings, and foundational books published primarily within the last two decades to ensure relevance to contemporary CE discourse. Key policy and regulatory documents, such as the European Commission's proposals, were included to provide essential context for systemic enablers. Non-peer-reviewed sources, articles with a primary focus outside the construction sector, and literature not available in English were excluded.

The selected literature was analyzed using a thematic synthesis approach. The objective of this synthesis is not merely to summarize but to critically analyze and to propose an assessment system to inform the Design for Reuse and Longevity of facades.

11.3 Modularity, Disassembly, Repair and Reuse of Circular Products

The physical embodiment of circular economy principles within a construction product is realized through several approaches and strategies, such as: modularity, Design for Longevity (DfL), Design for Disassembly (DfD), Design for Adaptability (DfA), Design for Repair (DfR), Design for Reuse (DfRe). These interconnected design strategies are the primary technical enablers for extending a product's service life and ensuring its high-value recovery. The technical foundation of longevity is realized through a set of interconnected design strategies that replace monolithic, single-lifecycle architectures with an adaptable "kit of parts" (Ghaffar et al., 2020). Further, we will elaborate the forementioned strategies, followed by product innvovations, eco-labeling and digital product passport.

11.3.1 Modular and repairable product design

A fundamental shift from a linear "take-make-dispose" model to a circular one requires re-evaluating design at the component level. Modularity refers to a design approach where a system is composed of distinct, independent components (modules) with standardized interfaces. This independence is the key to in-use life extension, allowing a single module to be upgraded, repaired, or replaced without necessitating the disposal of the entire product.

Modular and repairable product design are core strategies for embedding longevity and resource efficiency directly into construction products. These approaches aim to "slow the resource loop" by extending a product's useful life and "close the loop" by facilitating high-value material recovery, moving beyond low-grade recycling (Bocken et al., 2016). Modular and prefabricated construction works in synergy with DfD. By manufacturing components in a controlled factory setting, modularity enhances material efficiency, quality control, and waste reduction during the construction phase (Ghaffar et al., 2020). More importantly, these prefabricated systems are inherently designed for assembly and, by extension, disassembly. This modularity allows for greater flexibility and adaptability during the building's use phase, enabling spaces to be reconfigured rather than demolished. When a modular building reaches the end of its initial use, its components retain a high residual value, as they can be easily relocated, repurposed, or returned to the manufacturer (Kamal & Alsweiki, 2022).

11.3.2 Design for Longevity (DfL)

In the hierarchy of Circular Economy (CE) strategies, extending the utilization phase of products—often referred to as "slowing the loop"—is widely recognized as a priority over closing the loop (recycling) (Bocken et al., 2016). While recycling captures residual material value, it necessitates significant energy input for reprocessing. Conversely, Design for Longevity (DfL) aims to preserve the high-value embodied energy, labor, and function integrity of construction products for the longest feasible duration (L. G. Bakker et al., 2014). However, within the built environment, the application of DfL is nuanced, requiring a distinction between physical durability and functional relevance.

Traditionally, the construction industry has equated longevity with physical durability—the ability of a material to withstand wear, pressure, or damage (Kibert, 2012). However, a product designed for maximum physical durability may become an environmental liability if it cannot be adapted when it becomes functionally obsolete. Therefore, effective DfL in a circular context must prioritize the alignment of Technical Service Life (TSL) with Functional Service Life (FSL) (ISO, 2017).

To address the mismatch between TSL and FSL, circular design must adopt a stratified approach to longevity. Authors (Brand, 1995) note the concept of "Shearing Layers," which is modern circular design framework that suggest that construction products should be categorized based on their expected turnover rates.

1. The Structure (30–300 years): These components require maximum physical durability and permanence.
2. The Skin/Façade (20–50 years): These require high durability but must be detachable to allow for thermal upgrading or aesthetic refreshment without damaging the structure.
3. The Services/Space Plan (5–20 years): These components (HVAC, partitions, flooring) face the highest rate of obsolescence.

Consequently, DfL strategies for "Space Plan" products should not focus on infinite durability, but rather on modularity and interoperability, allowing for piecemeal replacement and maintenance (Schmidt et al., 2009). Three distinct strategies emerge for implementing DfL in construction products.

Design for Reliability and Robustness applies to long-life layers (Structure/Skin), where the focus remains on resisting degradation. This involves selecting materials that age gracefully or "patina" rather than corrode, reducing the perceived aesthetic obsolescence that often triggers premature replacement (Mugge et al., 2005).

Design for Maintenance and Repair wich reffers to prolong the functional life of complex products (window systems, HVAC etc.). The design must facilitate access to failure-prone components. This aligns with the "Right to Repair" movement, translating it into construction through accessible service cavities and standardized fasteners (den Hollander et al., 2017).

Design for Upgradability acknowledges that technology evolves faster than the building structure. Circular construction products effectively separate the "performance hardware" from the "static frame."

Finally, it is critical to note that in a Circular Economy, "Longevity" does not imply "Forever." Even the most durable product will eventually reach its End-of-Life (EoL). Therefore, DfL must be intrinsically linked to **Design for Disassembly (DfD)**.

11.3.3 Design for Disassembly (DfD)

Design for Disassembly (DfD) is a methodology that enables the circular potential of modularity. DfD is a design approach of a product to facilitate its non-destructive separation into constituent components at its end-of-service-life (Akinade et al., 2017). This approach facilitates the high-value recovery, reuse, and remanufacturing of components, directly contrasting with conventional demolition, which often results in downcycled or landfilled waste. Key

principles of DfD include using reversible connections (e.g., bolts over adhesives), standardizing components, and ensuring materials are easily accessible and identifiable (Geraedts, 2017). This directly contrasts with traditional construction, which often prioritizes permanence through irreversible chemical bonds (e.g., adhesives, spray foams, welds) and composite materials (Akinade et al., 2017).

Therefore, key principles of DfD include:

- **Reversible Connections:** Prioritizing mechanical fasteners (e.g., bolts, screws, clips) over chemical or thermal bonds (e.g., adhesives, welding). This ensures that components can be non-destructively separated
- **Ensuring Accessibility:** Designing products so that critical components and their connections are physically accessible to maintenance and deconstruction teams.
- **Minimizing Material Complexity:** Avoiding inseparable composites and using a limited palette of pure, non-toxic materials to simplify sorting and high-value reuse.
- **Component Independence:** Designing components so that the failure or required upgrade of one part does not necessitate the replacement of the entire system.
- **Layering:** Separating building systems into layers based on their expected lifespan.
- **Hierarchical Design:** Structuring the product for a logical, reverse-order-of-assembly sequence, often documented in a "disassembly map" or Building Information Model (BIM).

By designing with modularity and DfD in mind, manufacturers create products that are not only easier to install but also inherently adaptable. Research conducting life cycle assessments (LCA) on modular buildings designed for disassembly has shown a dramatic reduction in environmental impacts, including a 63% reduction in global warming potential compared to conventional linear designs, primarily due to the high potential for component reuse (Jayawardana et al., 2023).

The synergy between modularity and DfD is fundamental to designing for longevity. Modularity provides the adaptable structure, while DfD provides the access and reversibility needed for repair. In this manner, a construction product can be transformed from a single-use, disposable item

into a durable "material bank", a repository of high-value components and materials that can be easily accessed, maintained, and redeployed, thereby "slowing the loop" and preserving the economic and environmental value embedded within them (Bocken et al., 2016).

The fundamental tenets of DfD include (Buyle et al., 2013; Cabeza et al., 2014):

1. maintaining accurate documentation of the materials and deconstruction methods,
2. crafting accessible connections and joints to facilitate dismantling,
3. segregating any items that are neither recyclable, reusable nor disposable,
4. creating uncomplicated structures and forms that enable component standardization and dimensional consistency, and
5. designs that consider labor practices, productivity and safety.

The primary enabler of disassembly is the reversibility of its connections. Also, the most direct strategy for enabling DfD is the prioritization of mechanical fasteners (Akinade et al., 2015). Designing with bolts, screws, and clips—rather than adhesives or mortars—is the most direct strategy for enabling Design for Disassembly (DfD) (Akinade et al., 2015).

Authors identify six criteria for assessment of DfD as most recurring in the literature, such as (Attia et al., 2024): type of connection, component accessibility, independence of the component, geometrical composition, treatment and finishing, and dismantling damage. Other criterias occuring in the literature are: Assembly sequence, Degree of freedom, Disassembly safety, Ease of assembly, Functional separation, Reusability, Structural strength etc.

11.3.4 Design for Adaptability

Design for Adaptability (DfA) is a design strategy, suitable for timber-based buildings, focused on future-proofing a structure to allow for reconfiguration or conversion during its lifespan (Lisco & Aulin, 2023). The ISO 208870:2020 principles for DfA suggest that buildings should be: versatile, meaning that new patterns of use should be possible with little change; convertible, meaning non-structural changes can be made easily to accommodate a change in use; and expandable, meaning the ability to easily expand the building vertically or horizontally. Designers must consider key factors to implement DfA effectively, including (Lisco & Aulin, 2023):

- **Flexibility/Adjustability:** Ease of adjusting spatial configuration with minor interventions.
- **Generality/Multifunctionality:** Space usable for different purposes *without* changes.
- **Elasticity/Expandability:** Ability to increase the building's volume (vertically or horizontally) or divide/merge spaces.
- **Dismantlability/Removability:** Ease and effectiveness of removing physical objects/components.
- **Convertibility/Transformability:** Possibility of giving the building a new function.
- **Recyclability/Reusability:** Facilitating the **reuse and recycling** of building parts.

11.3.5 Design for Repair (DfR)

While DfD facilitates end-of-life recovery, Design for Repair (DfR) is the primary strategy for in-use life extension. Central to the "Right to Repair" movement, DfR is defined by the ease with which a product can be restored to a functional state following a fault or degradation (Parajuly et al., 2024). DfR is fundamentally a "slowing the loop" strategy in the circular economy (CE), aiming to keep products and materials in their highest value state for as long as possible, thereby minimizing the need for replacement and resource consumption (Bocken et al., 2016).

Modular design is a key prerequisite for repairability. A product designed as a "black box" (a sealed, integrated unit) is often unrepairable, as a minor fault in one sub-component renders the entire product useless. A modular product, in contrast, is **diagnosable and serviceable**. The design facilitates the "ease of product repair" by ensuring (Parajuly et al., 2024):

1. **Accessibility:** The component most likely to fail (e.g., a gasket, a digital sensor, a movable part) can be accessed without specialized tools or the deconstruction of the entire assembly.
2. **Interchangeability:** Worn-out or broken modules can be swapped for new or refurbished ones, thanks to standardized connections and the availability of spare parts.
3. **Information:** Clear technical information on how to diagnose faults and perform repairs is available to technicians and end-users.

4. **Standardization and Spares:** Products must use common fasteners, and spare parts must be readily available—a significant logistical challenge given the multi-decade lifespan of buildings.
5. **Information Provision:** Clear technical information (e.g., diagnostic guides, repair manuals) must be accessible to technicians and end-users, often via digital platforms (European Commission, 2022).

11.3.6 Design for Reuse (DfRe)

Researchers explore the implementation of reuse strategies for construction materials and structural elements (Bertin et al., 2022). The benefits are constrained by factors like stringent deconstruction and must account for functional downgrading and material losses between usage cycles, as these factors can limit the environmental performance compared to traditional practices (Bertin et al., 2022).

The possible reuse options for prefabricated timber buildings after their EOU are refabrication (Litleskare & Wuyts, 2023), biocycle (Ormondroyd et al., 2016), elemental retrofit (Bertino et al., 2021), transform (Arisya & Suryantini, 2021) and adaptive reuse (Lisco & Aulin, 2023). Authors assess various timber reuse options for prefabricated timber buildings after their end-of-use using the Simultaneous Evaluation of Criteria and Alternatives (SECA) method (Ghobadi & Sepasgozar, 2025).

Several factors hinder the utilizing reprocessed and reused materials such as negative attitudes towards the quality and price (Oyedele et al., 2014) of reusable materials limit their adoption as alternatives to virgin materials (Niu et al., 2021).

Studies show that using wood nails in stud and joist framing, with screws replacing nails elsewhere, and omitting adhesives from the floor panels increased the ease of disassembly. The proposal for wood nails to be used in the framing of wall and floor assemblies reduced the damage to the ends of structural material, resulting in an increase in the extraction of solid timber with a high reuse potential (Walsh & Shotton, 2024). Wood nails were granted technical approval for use in framed structures in Europe in 2023 (Walsh & Shotton, 2024). Several researchers investigate reversible load-bearing assemblies (Brown, 2021; Carradine et al., 2012; Ottenhaus et al., 2023).

11.3.7 Construction products innovations

More advanced material innovation is occurring in the field of "debonding-on-demand" (DoD) systems. This research focuses on **stimuli-responsive**

adhesives (SRAs). These "smart" materials are engineered to maintain a strong, durable bond throughout the product's service life but will "debond"—releasing their grip—when a specific external stimulus is applied. Triggers can include heat (thermo-responsive), light (photo-responsive), or an electrical current (electro-responsive) (Kadhirvel et al., 2022). For example, a laminated panel or façade element assembled with an electro-responsive adhesive could be installed as a permanent, rigid unit.

For a product to be truly circular, its base materials must be recyclable (technical cycle) or biodegradable (biological cycle). Innovation is therefore focused on two parallel tracks: material homogeneity and advanced bio-composites.

First, in the technical cycle, innovation favors design for homogeneity. Instead of complex, multi-material composites, the focus is on developing high-performance mono-materials. A product made from a single type of polymer or a mono-material timber element (e.g., Cross-Laminated Timber made with a reversible adhesive) is far simpler to sort, identify, and reprocess at its end-of-life, preserving its material value across multiple cycles (Eberhardt et al., 2021).

11.3.8 Eco-labeling and Digital Product Passport

Currently, the most prominent information tool in the construction sector is the Type III **Environmental Product Declaration (EPD).** Governed by standards such as ISO 14025 and, more specifically for construction, EN 15804, EPDs provide comprehensive, third-party-verified data on a product's life cycle assessment (LCA) (European Committee for Standardization, 2019). EPDs have been foundational in quantifying environmental impacts such as global warming potential (GWP), resource depletion, and waste generation. In principle, EPDs can be used to communicate circular attributes, such as the use of secondary materials, resource recovery potential, and the "reference service life" (RSL) of a product. For instance, some manufacturers already leverage EPDs to certify extended lifespans (e.g., 50-60 years) and to declare that a product is "engineered to facilitate disassembly, removal and reuse". However, conventional EPDs lack standardized, comparable metrics for key circularity indicators like "dismantlability potential" or "repairability". This "circularity information gap" is what the DPP is intended to resolve.

A Digital Product Passport (DPP) is a digital document that identifies all materials and components within a product or building, detailing their characteristics, origin, and potential for reuse or recycling. A DPP functions

as a dynamic digital record, or "logbook," for a product, tracing its lifecycle from material extraction to installation and beyond.

This data is crucial for **"**closing the loop" as it provides future stakeholders with the necessary information to make informed decisions about maintenance, repair, and end-of-life recovery. By cataloging a building's contents, material passports transform the structure into a repository of well-defined, valuable assets. This passport contains critical data, including:

- **Material Composition:** Full transparency of all constituent materials, including any hazardous substances, which is vital for safe repair and future recycling.
- **Disassembly and Repair Instructions:** Detailed, manufacturer-provided guides and schematics that "unlock" the product for maintenance, democratizing the ability to repair.
- **Service History:** A log of all maintenance, repairs, and refurbishments, providing a clear provenance and performance record.

This radical transparency fundamentally shifts the power dynamic. The "consumer"—be it a building owner, tenant, or facility manager—is no longer a passive user but an empowered agent (Jrade & Jalaei, 2013). With access to a DPP, a manager can identify a failing component via its BIM model, consult the passport for the correct spare part number and repair protocol, and execute the maintenance efficiently. This system fosters "repair ecosystems" where third-party technicians, and even the users themselves, are granted the information necessary to extend a product's life, thereby severing dependency on proprietary, "black box" solutions and truly activating the product's circular potential.

This concept is expanded by the **Digital Twin,** a dynamic, real-time virtual model of the physical building. Integrating data from **Building Information Modeling** (BIM) and Internet of Things (IoT) sensors, a digital twin can track a building's performance, manage maintenance schedules, and simulate future scenarios, such as disassembly or adaptation (Ghaffar et al., 2020). In the context of longevity, the digital twin allows owners to optimize a product's operational life and provides a precise, virtual guide for its eventual deconstruction, ensuring material recovery is planned and efficient.

11.3.9 Product-as-a-Service (PaaS)

The effective implementation of DfL is also catalyzed by a systemic shift in business models, moving from product sales to Product-as-a-Service (PaaS)

models (Bocken et al., 2016). In a PaaS model, a manufacturer retains ownership of the component (e.g., a façade, lighting, or elevator system) and sells its performance as a service. This creates a powerful economic incentive for the manufacturer to design for maximum longevity, durability, repairability, and disassembly, as they remain responsible for the product's entire lifecycle cost and end-of-life value (Ellen Macarthur Foundation, 2021).

11.4 Case-Study of Design for Reuse in Circular Products

In this section we develop a case-study for analysis of circular products in a façade system.

Researchers note that in the case of timber-based buildings, 65 % of materials are reusable and 35 % are recyclable (Ilgın et al., 2023). In this regard, the Design for Disassembly (DfD) is the key to promoting CE in construction and involves a building design process that allows products, parts and materials to be easily recovered when a building is disassembled.

Regarding the design of facades, researchers propose to design facades so they can be replaced and adapted, make the building envelope independent of the structure; provide means for access to the exterior wall system from both sides; design a versatile envelope capable of accommodating changes to the interior space plan (modular system) (Jockwer et al., 2020) (Jockwer et al., 2020; Lisco & Aulin, 2023).

Reversible connections play a crucial role in Design for Disassembly of timber structures (Ottenhaus et al., 2023). These connections typically fall into several categories:

1. carpentry joints (usually timber-to-timber, depending on bearing and friction);
2. basic fasteners (such as dowel-type elements loaded laterally or axially, applied in timber-to-timber or steel-to-timber joints);
3. connectors incorporating (proprietary) brackets and fixings to link two or more timber components; and
4. specialized connection systems tailored for particular uses (Ottenhaus et al., 2023).

An analysis was conducted on most frequent timber facades systems being used in North Macedonia. Ten construction companies were interviewed and a selection of 4 wall systems was made. The most common façade system and construction products are timber framing with an exterior finish with mortar over a rockwool insulation. Other common product is SIP (structurally insulated panels) which are modularly produced, while CLT (cross-laminated

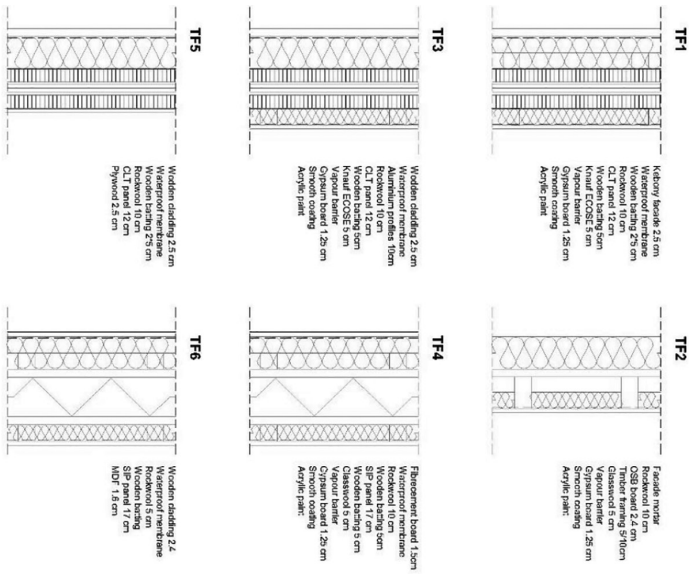

Figure 11.1 Circular construction products in facade.

timber) panels are less frequently used due to their higher cost. The interior finish is most commonly made out of gypsum boards. The exterior finish may vary between façade mortar, fibercement boards or wooden/modified wood products. The four timber façade (TFs) systems and their constituting products are presented in Figure 11.1.

The TFs are mainly consisted of construction products which are recyclable/reusable, with various degree of durability. In terms of brackets and fixings, options include sliding bracket connectors, panel connectors, nut- and anchor-type connectors, among others. General guidelines for designing disassemblable and reusable connections emphasize keeping them within the elastic range; adopting capacity design principles; and incorporating potentially ductile, replaceable elements (acting as fuses) to aid in energy dissipationConventional fasteners like nails, dowels, or screws offer limited suitability for DfD, whereas proprietary brackets may enable reversibility in their designated applications.

11.4.1 Establishing assessment system for Design for Longevity and Reuse

In order to choose most suitable construction products for a façade there needs to be a prompt assessment system which would inform the design team in the early design stage in choosing the most suitable construction products.

The assessment system would support the Design-for- Longevity and Reuse (DfLRe) and the decision making process.

Therefore, a semi-structured survey was conducted among 5 practicing architects and 3 researchers in circular design for choosing a set of criteria for assessment of circular products for façade in the early design stage. The participants were asked to rank the criteria according to their relevance in the early design stage of a façade system and they were given a set of 12 indicators to choose from. The results of the survey narrowed the selection of criteria to the ones which will enable rapid assessment. The criteria that constitute the DfLRe assessment system are:

1. durability,
2. maintenance,
3. ease of assembly,
4. ease of disassembly,
5. modularity,
6. reusability, and
7. embodied carbon.

The criteria durability (reliability) and maintenance reffer to the DfL while the remaining constitute the DfRe component in the DfLRe assessment system. Durability and maintenance consider both the exterior and interior finish materials, their planned service life and the data is gathered from the manufacturers' product warrant.

Ease of assembly is assessed regarding the simplicity of connecting all construction products together in the façade system. Ease of dissemination refers to the simplicity of dismantling the façade system without damaging the products and the need for manual labour or mechanical tools.

The modularity assesses all products within a façade which are modularly produced and joined in the façade element as a module without the need for adjustments during the construction of the façade on-site.

The reusability refers to how many of the construction products within a façade system can be reused after dismantling while preserving their integrity as planned and their primary function within a façade element.

The embodied carbon is calculated for a whole façade system by using the Environmental Product Declarations for each construction product, and the Global Warming Potential (GWP) is only considered.

The DfLRe assessment system was tested on the four case studies of Timber Facades (TFs) elaborated in the previous section. The scoring system

Table 11.1 Assessment of DfR of Circular Construction Products in Facade.

	durability	maintenance	ease of assembly	ease of disassembly	modularity	reusability	embodied carbon	Sum
TF1	3	4	3	2	1	1	1	15
TF2	1	1	1	1	4	3	2	13
TF3	4	3	4	3	3	2	4	23
TF4	2	2	2	4	2	4	3	19

is based on prioritization of the case-studies of TF and ranking them for each of the criteria. The TFs are assessed via direct comparison and ranking by 8 experts which have experience in construction of timber facades. The ranking points are summarized and the TFs with lowest number of points is the most suitable façade type with most adequate circular construction products, Table 11.1.

11.5 Discussion

The proposed assessment system for DfLRe is applied on four case-studies of TFs and it provides direct comparison between different construction products regarding their reusability.

The durability is assessed according to most common life-cycle of the façade finish and manufacturers recommendations. The mortar finish and the fibre cement board provide the most durable exterior, while the wooden products which are exposed to the outside have the shortest life-span, even though in the case of TF1, the kebony façade is a modified wood, treated to be more durable than an untreated wood.

The maintenance criteria takes into account how often would the exterior layer need to be serviced during its lifetime. The fibercement board and façade mortar have the lowest requirements for maintenance, while the wooden façade requires frequent protection from the rain and the sun.

For the criteria ease of assembly, the case-studies were evaluated in terms of complexity of the components and the various tools that might be needed. The TFs which have lower weight and can be manually joined have higher ranking compared to the TFs which have larger components and would require cranes or other mechanization for their connection on site. Therefore the TFs which consist of timber frame products and SIP products have higher ranking as compared to TFs having CLT panels. Similarly the criteria for ease of dissembly was assessed in terms of the need for mechanization for the products dismantling.

With the aspect of modularity all construction products within a façade system have been analyzed. The TF2 has a timber frame structure which is

modular. However, because the rockwoll panels and the mortar finish cannot be physically separated in modules and reused the TF2 has the lowest ranking. Similarly, the TF3 is ranked 3rd because it has a fibrecement board.

The reusability of the elements assesses all products in the façade system. Because the TF2 and TF4 have components which cannot be dismantled without being damaged, such as the façade products, they have the lowest ranking.

The GWP for all construction products within a TF were calculated according to the products` EPDs. The results show that the TF1 with predominantly wooden products, i.e. wooden battings and façade and CLT panels has the lowest embodied carbon. The TF3 has higher GWP due to the aluminum profiles and the TF4 due to the fibercement board.

11.6 Conclusion

This research chapter aims to address the critical need for a systemic transition from a linear to a Circular Economy in the built environment, focusing on the cornerstone strategies of Design for Longevity (DfL) and Design for Reuse (DfR). The study confirmed that the practical implementation of these principles is hindered not by a lack of singular solutions, but by a fragmentation of knowledge and the absence of practical tools to navigate complex design trade-offs. Longevity, this chapter argues, is not an intrinsic material property but a systemic outcome, achievable only through an integrated approach.

The literature review synthesized the core technical principles required for this transition, establishing that DfL is intrinsically linked to and dependent upon Modularity, Design for Disassembly (DfD), Design for Adaptability (DfA), and Design for Repair (DfR). These physical design strategies, however, remain inert without a framework of systemic enablers. The research identified Digital Product Passports (DPPs) and Digital Twins as the critical information infrastructure necessary to manage a product's extended life.

The primary contribution of this chapter is the development and preliminary application of the DfLRe assessment system which is a multi-criteria tool for early-stage design assessment. By synthesizing expert opinion into seven key criteria this system provides a rapid, comparative method for evaluating construction products.

The application of the DfLRe system to four common timber façade (TF) typologies in North Macedonia yielded significant insights. It revealed that no single, currently available system is "perfectly circular." Instead, designers face a series of trade-offs. TF2, while ranked highest overall,

demonstrated a critical flaw in its low potential for modularity and reuse, as some of its components are chemically and physically bonded. TF1, which has higher ranking on embodied carbon and reusability, has higher maintenance requirements of its external timber finish. TF3 and TF4 show that the inclusion of components like aluminum profiles and fibercement boards introduces increased embodied carbon and reusability challenges.

The findings underscore that there is no single solution but specific compromises need to take place in each product and design choice. It successfully bridges the theory-practice gap by equipping architects and designers with a tangible framework to make informed decisions that align with a project's specific circularity goals.

11.6.1 Limitations and future research

This study is primarily methodological and its findings are contextual. The DfLRe assessment system was developed through a limited expert survey and applied to a specific typology (timber façades) in a single geographical region (North Macedonia). Future research should focus on the wider empirical validation of the DfLRe assessment system. It should be applied to a more diverse range of construction products (e.g., interior partitions, flooring) and in different international contexts. Furthermore, this qualitative and technical assessment should be integrated with quantitative Life Cycle Costing (LCC) and full Life Cycle Assessment (LCA) to build a comprehensive decision-making model that includes economic viability.

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Designing for Longevity: Integrating Eye Tracking and Quality Function Deployment in Circular Product Design

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Abstract

Designing products for longevity, reparability, and transparency is central to the transition towards a circular economy. While Quality Function Deployment (QFD) offers a structured approach to translating customer requirements into engineering specifications, its reliance on self-reported preferences limits its ability to capture implicit user priorities, particularly regarding sustainability. This chapter proposes a behaviourally informed design framework that integrates eye-tracking analysis into QFD to support circular product design. Eye tracking provides objective evidence of user visual attention to longevity-related design cues, such as modularity, repairability indicators, material transparency, and eco-labels. These behavioural insights are systematically embedded into the House of Quality to strengthen the prioritisation of circular design features. The chapter develops the Behaviourally Informed QFD Framework for Circular Product Longevity and illustrates its practical application. The framework bridges the gap between technical design decisions, policy requirements, and user perception, enhancing product longevity and consumer empowerment.

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12.1 Introduction

The circular economy has emerged as a dominant paradigm for addressing the environmental impacts of contemporary production and consumption systems. Central to this paradigm is value retention, which seeks to minimise resource extraction and waste by extending product lifetimes through durability, repair, reuse, and upgrading (Ellen MacArthur Foundation, 2015). Designing for longevity offers substantial environmental benefits, especially for resource-intensive products, as lifecycle assessments consistently demonstrate reductions in resource consumption and emissions compared with strategies focused solely on recycling (Cooper, 2010; Bocken et al., 2016). Despite increasing policy attention and design guidance, operationalising longevity in practice remains challenging. Products may be technically durable but prematurely discarded due to aesthetic obsolescence, lack of repair support, insufficient information, or low perceived value of extended use (van Nes and Cramer, 2006). Addressing this requires aligning technical design decisions with user perception and behaviour.

Quality Function Deployment (QFD) offers a structured method to translate customer needs into technical specifications (Boks and McAloone, 2009). In circular design, QFD has been extended to integrate sustainability criteria alongside traditional functional requirements (Kuo et al., 2012). However, QFD's reliance on self-reported importance weights for customer requirements introduces limitations. Users may overstate interest in sustainable features due to social desirability bias or lack of awareness, meaning longevity-related features can be underprioritised in actual design decisions (Gidlöf et al., 2013). Eye-tracking analysis offers a solution by capturing implicit behavioural data. Eye tracking measures fixation duration, count, and sequence, providing evidence of which design cues attract attention and are cognitively processed (Holmqvist et al., 2011). Integrating eye-tracking data into QFD allows designers to weight technical features according to actual user engagement, ensuring that longevity features are both technically robust and perceptually salient.

This chapter proposes the Behaviorally Informed QFD Framework for Circular Product Longevity, combining QFD, eye tracking, and circular design principles. The framework is illustrated with examples highlighting its practical application, and contributes to both theory and methodology by integrating perception-driven behavioural data into structured product design.

12.1.1 Literature review

Longevity is a central objective of circular product design, encompassing multiple dimensions including physical durability, functional adaptability,

emotional attachment and institutional support for repair and maintenance (van Nes and Cramer, 2006; Roy et al., 2009; Bocken et al., 2016; Cooper, 2010). These strategies are interdependent and must be considered holistically in sustainable product development. For example, a technically durable product that cannot be repaired or upgraded is unlikely to achieve long-term use, whereas modular and repairable designs may significantly extend product lifetimes even when the underlying materials are of moderate quality (Roy et al., 2009; Boks and McAloone, 2009; Mariani and Duong, 2025; Zhao and Lee, 2025). Recent research further highlights that product longevity is influenced not only by engineering performance but also by user perception and behavioural engagement with sustainability features embedded in product design (Hernández et al., 2025; Rossi, Bianchi and Greco, 2025; O'Brien and Singh, 2025; Zhang and Chen, 2025).

Quality Function Deployment (QFD) provides a structured design methodology for translating customer requirements into engineering specifications through the House of Quality matrix (Boks and McAloone, 2009; Kuo et al., 2012). Within sustainability-oriented product development, customer requirements often include expectations related to durability, repairability, recyclability and transparency of environmental information. These requirements are mapped against technical characteristics such as material selection, modular architecture, fastening systems and product information design (Boks and McAloone, 2009; Kuo et al., 2012; Ivanova and Schmidt, 2025; Kim, Lee and Zhang, 2025). However, QFD traditionally relies on subjective weighting derived from surveys or self-reported user preferences. In sustainability contexts, this reliance may produce inaccurate prioritisation because users often express support for environmental attributes while failing to prioritise them during real product evaluation or decision-making (Gidlöf et al., 2013; Alvarez, Torres and Mendez, 2025; Patel and Sørensen, 2025; Nguyen and Bijleveld, 2025).

Eye-tracking technology provides an objective method for measuring visual attention and cognitive engagement during product interaction and evaluation. By analysing eye movement metrics such as fixation duration, fixation frequency and time to first fixation, researchers can identify which design elements users actually notice and cognitively process (Holmqvist et al., 2011; Hernández et al., 2025; Evans and Patel, 2025; Huang and Li, 2025). Eye tracking has been widely used to investigate user attention to eco-labels, sustainability indicators and repairability information in product interfaces and packaging (Choi et al., 2020; Chen and Wang, 2025; Zhao and Lee, 2025; Kim, Lee and Zhang, 2025). Empirical findings consistently demonstrate that sustainability information frequently receives limited visual attention unless it is prominently positioned or visually integrated into the

primary information hierarchy of a product interface (Alvarez, Torres and Mendez, 2025; Evans and Patel, 2025; Huang and Li, 2025; Rossi, Bianchi and Greco, 2025).

Integrating eye-tracking evidence into design methodologies such as QFD offers a promising approach for bridging the gap between user perception and engineering decision-making. Behavioural attention data can provide objective indicators of which product features attract user attention and which remain visually overlooked despite technical importance (Holmqvist et al., 2011; Choi et al., 2020; Zhao and Lee, 2025; Patel and Sørensen, 2025). Incorporating such behavioural evidence into the QFD framework allows design priorities to reflect not only stated customer preferences but also observed user engagement with sustainability features. This integration can create a feedback loop between user perception and engineering design, enabling technically important but visually unnoticed features—such as repairability indicators or lifecycle information—to be redesigned for improved perceptual accessibility and user engagement (Ivanova and Schmidt, 2025; Nguyen and Bijleveld, 2025; Rossi, Bianchi and Greco, 2025; Zhang and Chen, 2025).

12.2 Behaviourally Informed QFD Framework

Designing products for longevity requires aligning technical specifications with how users perceive and engage with sustainability cues. Traditional Quality Function Deployment (QFD) provides a structured method to translate customer requirements into engineering characteristics. However, its reliance on self-reported importance ratings can misrepresent actual user priorities, particularly for sustainability features that users may overlook during product evaluation (Gidlöf et al., 2013; Alvarez, Torres & Mendez, 2025). To address this limitation, the Behaviourally Informed QFD Framework for Circular Product Longevity (BI-QFD-CPL) integrates eye-tracking evidence into the QFD process, prioritising features that are both technically important and perceptually salient.Eye tracking captures metrics such as fixation duration, fixation count, and time to first fixation, providing objective insights into where users focus attention and how they process product features cognitively (Holmqvist et al., 2011; Hernández, Svensson & Kumar, 2025). Recent studies highlight that users often fail to attend to eco-labels, repair indicators, or lifecycle information unless these cues are visually prominent and contextually integrated (Chen & Wang, 2025; Evans & Patel, 2025; Kim, Lee & Zhang, 2025). Integrating such behavioural data ensures that QFD weightings reflect real user engagement, rather than only stated



Figure 12.1 Phase map.

preferences, enhancing the reliability of prioritisation for circular design objectives.

The framework proceeds through four iterative phases as shown in Figure 12.1. The first phase identifies circular longevity objectives, including durability, repairability, modularity, material transparency, and usability of sustainability information. These objectives are informed by regulatory guidelines, stakeholder input, and best practices across circular economy initiatives (Patel & Sørensen, 2025; Nguyen & Bijleveld, 2025). In the second phase, eye-tracking studies are conducted with prototypes, digital renderings, or product displays. Metrics derived from user gaze patterns indicate which longevity features attract attention and which are overlooked, revealing gaps between perceived and actual engagement (Gupta, Meier & Reddy, 2025; Zhang & Chen, 2025). For instance, studies show that repairability indicators

are only effective when placed prominently, highlighting the importance of visual and cognitive accessibility in sustaining attention (Chen & Wang, 2025; O'Brien & Singh, 2025).

The third phase integrates these behavioural insights into QFD. Eye-tracking metrics are normalised and combined with self-reported importance ratings to produce hybrid prioritisation scores. This ensures that features critical to circular design but insufficiently noticed by users receive design attention, while features that are visually salient are appropriately weighted in technical specifications (Rossi, Bianchi & Greco, 2025; Ivanova & Schmidt, 2025).Finally, the fourth phase involves iterative validation. Revised prototypes are re-evaluated through follow-up eye-tracking experiments to confirm that longevity-related features are both technically robust and perceptually salient. Iteration continues until design objectives align with user attention patterns, technical performance, and policy requirements, creating a fully behaviourally informed and circular design process (Huang & Li, 2025; Kwon, Li & Sørensen, 2025). By systematically integrating eye-tracking evidence into QFD, the framework provides a robust framework for designing products that maximize longevity, repairability, and user engagement, bridging the gap between engineering, user perception, and circular economy goals.

12.2.1 Case study

This study combines eye-tracking technology with Quality Function Deployment (QFD) to integrate user attention data into circular product design. The approach involves three stages: defining circular design attributes, capturing visual attention through experiments, and integrating behavioural metrics into the House of Quality to prioritise design features.

30 participants aged 20–35, representing the target consumer group, evaluated the prototype designs. All had normal or corrected-to-normal vision and provided informed consent. Participants assessed multiple variations of a shirt prototype while wearing Tobii Pro eye-tracking glasses. EEG recordings were also collected to monitor cognitive engagement, complementing gaze data.

Eye-tracking metrics included fixation duration, fixation count, and time to first fixation for seven feature elements (overall design, neckline, shoulder, front panel, cuff, waist, and hem). Heat maps and gaze plots visualised attention distribution, and EEG data indicated cognitive salience of features.

To rigorously examine user attention and its relationship to design priorities, both descriptive and inferential statistical methods were applied.

Eye-tracking metrics—including fixation duration, fixation count, and time to first fixation—were first summarised using means, standard deviations, and heatmap visualisations to identify patterns of visual engagement across the seven shirt feature elements (Holmqvist et al., 2011; Hernández, Svensson & Kumar, 2025). EEG metrics were similarly analysed to assess cognitive load and engagement (Rossi, Bianchi & Greco, 2025).

Inferential analysis included one-way ANOVA to test for significant differences in visual attention among the feature elements. Where significant effects were detected, Tukey's HSD post-hoc tests were performed to identify which elements differed significantly in attracting user attention (Zhao & Lee, 2025). To examine the relationship between eye-tracking metrics and subjective evaluations of importance, Pearson correlation coefficients were calculated. Additionally, linear regression models were employed to investigate whether gaze metrics could predict participants' prioritisation scores for specific design features, allowing objective weighting of the House of Quality matrix (Hernández, Svensson & Kumar, 2025; Rossi, Bianchi & Greco, 2025).To assess reliability and robustness, inter-subject variability was analysed using intraclass correlation coefficients (ICC), evaluating consistency in attention patterns across participants (Holmqvist et al., 2011; Zhao & Lee, 2025). Effect sizes (η^2) were reported to quantify the practical significance of observed differences. Statistical significance was set at $p < 0.05$, and all analyses were conducted using SPSS (v28) and R (v4.3) for comprehensive visualisation and model validation (Rossi, Bianchi & Greco, 2025; Hernández, Svensson & Kumar, 2025).

This statistical framework allows the integration of behavioural attention data into QFD, ensuring that design prioritisation reflects both self-reported importance and actual user engagement, highlighting critical features that may otherwise be visually overlooked (Holmqvist et al., 2011; Zhao & Lee, 2025). Linear regression models further demonstrated that gaze metrics could predict the prioritisation of features in the House of Quality, indicating that behavioural attention can serve as an objective weighting factor for QFD matrices. EEG measurements corroborated these findings, showing higher cognitive engagement when participants viewed highly salient features, which reinforces the link between visual attention and perceived importance. Reliability analysis using intraclass correlation coefficients (ICC) confirmed consistent attention patterns across participants, while effect sizes (η^2) quantified the practical significance of observed differences.

This chapter selects design shirts as research object based on a local designer in UK. The object is divided into seven feature elements for study, created the evaluation factors set F = (Overall f1, Neckline f2, Shoulder f3,

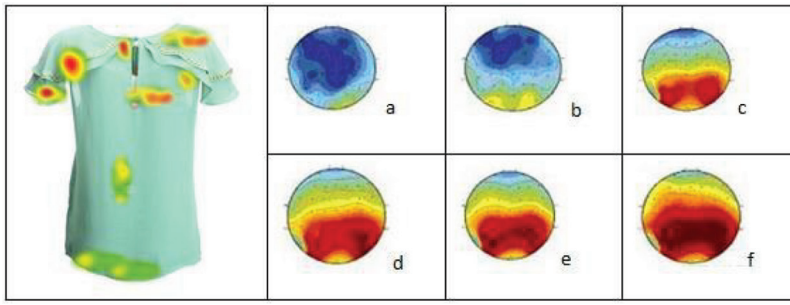

Figure 12.2 Heat map (Li, et al, 2017).

Front skirt f4, Cuff f5, Waist f6, Sweep f7). The evaluation set was created according to the evaluation system, S=(Grade A s1,Grade B s2, Grade C s3, Grade D s4,Grade E s5,Grade F,s6). Choose 15 women as subjects whom suit the shirt, the 15 women are from consumer groups of this kind shirt. Tobii eye tracking glasses to carry out the experiment. Processing and analysis eye movement data and EEG data to obtain eye movement heat map and brain topographic map, as shown in Fig.3. Eye movement heat map reflects the length of time of the subjects' eye fixed on the characteristic elements in the process of experiment. Brain topographic map reflects the strength of the brain excitability when subjects' eye gaze the characteristics as shown in Figure 12.2.

We made a statistical analysis of the experimental results. The statistical results shows that the amount of subjects in the subjective selection scheme xt1yt1 was 22, accounting for 73.3% of the total subjects; The amount of subjects in the subjective selection scheme xt1yt2 was 4, accounting for 13.3% of the total subjects; The amount of subjects in the subjective selection scheme xt2yt1 was 3, accounting for 10% of the total subjects; The amount of subjects in the subjective selection scheme xt2yt2 was 1, accounting for 3.3% of the total subjects. In designing a new shirt, it os clear that effort should be focused. For example, if the biggest CR is a good quality screen, customer will know they should invest the time and money into developing a top-quality new screen. A big part of the design process is allocating resources efficiently. The HOQ solves this decision-making problem as it signals what customers want most and what DR meets this CR.

12.3 Discussion

The Behaviourally Informed QFD Framework for Circular Product Longevity (BI-QFD-CPL) proposed in this study addresses the critical

perceptual–policy gap by linking empirical behavioural evidence to structured design decision-making. By embedding eye-tracking data, capturing actual visual attention and cognitive engagement—into the prioritisation of technical characteristics, the framework operationalises design-for-perceptibility, extending beyond conventional compliance-driven approaches. This integration is particularly relevant in contexts where policy instruments, such as repairability indices or digital product passports, assume that users will notice and act on the provided information (Patel & Sørensen, 2025; Nguyen & Bijleveld, 2025).

The main scientific findings from the case study reveal that users' visual attention does not always align with stated priorities. For instance, fixation durations and counts showed that participants consistently attended to primary design elements such as necklines and front panels, while cues related to repairability, material transparency, and sustainability badges received significantly less attention (Holmqvist et al., 2011; Zhao & Lee, 2025). Pearson correlations and regression analyses further indicated that eye-tracking metrics significantly predicted participants' prioritisation scores in the House of Quality, demonstrating that behavioural evidence can provide an objective weighting mechanism for QFD matrices (Hernández, Svensson & Kumar, 2025; Rossi, Bianchi & Greco, 2025). These findings illustrate the framework's ability to identify "visually overlooked but technically critical" features, offering actionable insights for designers seeking to enhance product longevity and circularity.

From a theoretical perspective, the framework advances sustainable design and decision-making scholarship in three key ways. First, it bridges methodological divides between qualitative, behavioural, and structured systems approaches. While traditional QFD links customer requirements to technical specifications, its reliance on self-reported preferences may misrepresent actual priorities (Boks & McAloone, 2009; Gidlöf et al., 2013). By incorporating eye-tracking and EEG data, the BI-QFD-CPL framework positions perception as empirical input, rather than subjective interpretation (Hernández et al., 2025; Evans & Patel, 2025).

Second, the framework contributes to understanding circular consumer behaviour beyond purchase intentions. Eye-tracking metrics revealed that attention to sustainability cues during product evaluation mediates perceived value and reuse intentions, suggesting that perceptual engagement is a critical intermediary between policy signals and behavioural outcomes (Mariani & Duong, 2025; Chen & Wang, 2025). This insight extends sustainability research into the in-product evaluation phase, highlighting moments when users engage with environmental information embedded in product design.

Third, the framework aligns with advances in human–AI interaction and digital product information. With the growing use of AI-driven interfaces, augmented reality, and digital product passports, designers face challenges in structuring visual hierarchies to ensure sustainability cues are noticed and cognitively processed (Kwon, Li & Sørensen, 2025; Ivanova & Schmidt, 2025). The integration of eye-tracking data into QFD provides a principled basis for designing AI-mediated interfaces that align with human attention and cognitive patterns, enhancing the effectiveness of circular product information.

While the case study demonstrates the framework's potential, several limitations and uncertainties should be acknowledged. The study involved 30 participants, limiting the generalisability of findings, and future research should include larger, more diverse samples across demographic groups, cultural contexts, and user profiles (Zhao & Lee, 2025; Alvarez, Torres & Mendez, 2025). The evaluation relied on static prototypes and digital renderings, which may not fully capture real-world interactions, material wear, or long-term engagement, all of which could affect visual attention patterns and cognitive processing (Chen & Wang, 2025; O'Brien & Singh, 2025). Eye-tracking captures where users look, but not whether information is comprehended or translated into decision-making, and EEG data, while complementary, can be influenced by noise, cognitive load, and inter-subject variability (Hernández, Svensson & Kumar, 2025; Rossi, Bianchi & Greco, 2025). Feature interdependence also introduces complexity; for example, highly salient necklines may draw attention away from cuffs or other sustainability cues, potentially biasing prioritisation scores. Environmental conditions, lighting, and participant familiarity with the product type may further influence gaze behaviour, introducing uncontrolled variability. Finally, the study captures immediate attention rather than longitudinal engagement or actual product reuse and purchase behaviour, which are critical for assessing circular economy outcomes (Huang & Li, 2025; Mariani & Duong, 2025).

12.4 Conclusion

This chapter has demonstrated that integrating eye tracking with Quality Function Deployment provides a robust, behaviourally informed approach to designing products for longevity within a circular economy. The Behaviourally Informed QFD Framework for Circular Product Longevity bridges the gap between technical design intent and user perception, strengthening both sustainability outcomes and consumer empowerment. Future research should

apply the framework in empirical case studies, explore its integration with digital product passports and AI-mediated product information systems, and examine cross-cultural differences in attention patterns. As circular economy policies continue to evolve, behaviorally informed design methods will be essential for translating ambition into impact.

The results demonstrate that integrating eye-tracking and behavioural data into QFD can significantly improve the identification and prioritisation of circular design features. The framework provides both a practical tool for designers and a methodological contribution to sustainable product development research by operationalising the link between user attention, technical specification, and circular economy goals. Despite its limitations, the BI-QFD-CPL framework offers a robust foundation for advancing behaviourally informed circular product design and informs future studies across product categories, cultural contexts, and interface modalities.

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13

The Circular Economy Imperative: Synergistic Effects of Modularity, Disassembly, and Recyclability in Product Design

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Abstract

The transition to a circular economy fundamentally depends on product design innovations prioritizing three critical pillars: modularity, easy disassembly, and recyclable materials. This chapter argues that these pillars are essential to break away from linear "take-make-dispose" models and demonstrates that their effectiveness depends on synergistic integration rather than isolated implementation. Unlike existing circularity metrics (Material Circularity Indicator, Overall Circularity Effectiveness, 9R Index), which employ additive weighted sums—allowing weak performance in one dimension to be compensated by others—this research introduces a Circular Effectiveness Index (CEI) using multiplicative logic, where pillar interdependence creates non-compensatory threshold effects. When any single pillar approaches zero, the system's circularity collapses, regardless of excellence in other dimensions. Through comparative case study analysis across consumer electronics (Fairphone), textile engineering (Polyamide 6 mono-material systems), and

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furniture design (glue-free assembly), we demonstrate substantial synergistic effects when all three pillars are simultaneously optimized. A critical finding reveals that when disassembly feasibility falls below minimum thresholds, recycling infrastructure becomes economically non-viable regardless of material composition. The framework operationalizes core consumer rights—right-to-repair, right-to-information, and right-to-sustainable-products—by demonstrating how design architecture enables or constrains consumer agency in circular systems. CEI provides manufacturers and policymakers with systematic methodology for evaluating design decisions and prioritizing interventions with highest circular impact.

13.1 Introduction

The linear "take-make-dispose" economic model has reached structural limits. Industrial economies extract over 100 billion tonnes of raw materials annually, yet less than 9% re-enter productive cycles (Saraji & Torabi, 2025). Waste accumulation projected to exceed 3.4 billion tonnes by 2050 demonstrates that linear growth is incompatible with planetary boundaries (Mazur-Wierzbicka, 2021).

The Circular Economy (CE) redefines economic activity around closed material loops where products maintain maximum value through extended use, repair, and regeneration (Ellen MacArthur Foundation, 2015). Unlike linear models treating waste as inevitable, circular systems internalize material flows, transforming end-of-life products into feedstock. The EU Circular Economy Action Plan (2020) and SDG 12 mandate decoupling economic growth from resource consumption.

The transition to circular economy fundamentally intersects with consumer rights and empowerment. Circular economy scholarship increasingly recognizes that consumers require (1) right-to-repair—access to spare parts, technical documentation, and non-proprietary tools enabling independent maintenance; (2) right-to-information—transparent product architecture and material composition data supporting informed purchasing decisions; and (3) right-to-sustainable-products—assurance that goods can genuinely circulate through repair, reuse, and high-quality recycling rather than predetermined obsolescence. These rights cannot be legislated in isolation from product design—a product designed with irreversible assembly or incompatible material blends structurally prevents consumers from exercising repair rights regardless of legal entitlements. Design thus becomes the material infrastructure enabling or constraining consumer agency in circular systems.

However, circularity cannot be achieved retroactively. Research demonstrates that 80% of a product's environmental and economic costs are determined at the design stage, before manufacturing begins. This "design determinism" reveals a critical insight: circular economy transitions depend less on waste management innovation than on product design transformation. Conversely, products designed with reversible fasteners and mono-materials inherently enable circularity.

Academic literature documents three design strategies supporting circularity. Modularity extends product lifespans 30-50% through component upgrades (Lau et al., 2011; Umeda et al., 2005). Design for Disassembly (DfD) reduces end-of-life processing energy 60-80% versus destructive shredding (Forst, 2020; Wang & Zhang, 2010). Mono-material designs enable closed-loop recycling maintaining virgin-equivalent quality (Rahee & Sarker, 2024).

Yet existing research treats these strategies as independent variables rather than systemic interactions. Studies optimize modularity without addressing whether non-recyclable modules relocate waste (van den Berg & Bakker, 2015), advance recyclable polymers without considering adhesive barriers, or assume material homogeneity ignoring blend contamination. This fragmentation produces suboptimal outcomes: technically modular products remain economically irreparable due to adhesive barriers; recyclable materials become inaccessible through integrated construction.

Moreover, existing circularity assessment methodologies fail to capture these interdependencies. The Material Circularity Indicator (MCI) focuses on mass flows, treating product architecture as secondary (Ellen MacArthur Foundation, 2015). The Overall Circularity Effectiveness (OCE) index employs additive aggregation, assuming compensatory trade-offs between dimensions (Baumer-Cardoso et al., 2023). The 9R Circularity Index combines pillars through weighted averages (Muñoz et al., 2024). These additive models share a critical limitation: they permit poor performance in one dimension to be numerically compensated by excellence in others, masking fundamental physical incompatibilities.

This chapter addresses this limitation by proposing the Circular Effectiveness Index (CEI), employing multiplicative rather than additive logic to capture non-compensatory dynamics between Modularity, Design for Disassembly, and Material Recyclability. Unlike weighted sums where dimensions trade off, CEI's formulation ($M \times D \times R$) mathematically represents physical reality: when any pillar approaches zero, system circularity collapses regardless of other pillars' strength. A product with perfect recyclability ($R = 1.0$) but zero disassembly ($D = 0$) achieves zero circular effectiveness—a constraint invisible to additive models.

The theoretical justification for a three-pillar framework derives from functional necessity within circular systems. Modularity addresses temporal obsolescence—enabling products to evolve through component replacement. Disassembly addresses physical access—ensuring that replacement and material recovery are economically feasible. Recyclability addresses material quality—guaranteeing that recovered materials maintain value. These three functions are irreducible: omitting any single pillar creates systemic failure regardless of excellence in the remaining dimensions.

The novelty of this research lies in three contributions. First, CEI represents the first multiplicative circularity metric in the literature—existing indices (MCI, OCE, 9R) employ additive aggregation despite acknowledging pillar interdependencies (Elia et al., 2017; Munonye, 2025). Second, we demonstrate through cross-sector case studies that the three-pillar framework generalizes across product categories with vastly different material compositions and lifecycles. Third, preliminary analysis indicates that when disassembly approaches 0.30, recycling infrastructure may shift from manual separation to bulk shredding, potentially limiting realized recyclability below 0.40. This threshold hypothesis requires validation.

Methodology employs systematic literature review comparing existing metrics, strategic case selection across electronics (Fairphone), textiles (PA6 systems), and furniture (glue-free assembly), and synergy quantification through multiplicative interaction analysis.

Section 13.2 presents theoretical framework and literature review. Section 13.3 details methodology. Sections 13.4–13.5 present case evidence and synergy analysis. Section 13.6 concludes with implications.

13.2 Literature Review and Theoretical Framework

The theoretical framework of this research is built upon the "Circular Economy Imperative," which necessitates a shift from identifying waste to designing it out of the system. This section defines the three core pillars and analyzes their synergistic interactions.

13.2.1 The first pillar: Modularity and obsolescence management

Modularity is defined as the process of dividing a complex product system into smaller, independent subsystems (modules) that can be designed and produced independently. In the context of circularity, modularity is the primary defense against premature obsolescence. According to Bocken et al., (2016),

modular design allows for the management of "part obsolescence," potentially extending a product's total service life by over 30%. Modular architecture enables targeted repair and upgrades without discarding the entire unit.

13.2.2 The second pillar: Design for Disassembly (DfD)

Design for Disassembly (DfD) is a planning approach ensuring that a product can be easily, rapidly, and economically separated into its components at the end of its life. DfD prioritizes reversible fastening methods—such as screws or snap-fits—over permanent bonds like glues or welding. DfD is crucial for economic viability; studies show that disassembly-based end-of-life processing consumes 60-80% less energy compared to traditional shredding methods.

13.2.3 The third pillar: Recyclable materials and material health

The third pillar focuses on the material level, specifically the use of non-toxic, preferably "mono-materials" that can be returned to the raw material flow without quality loss. In the textile industry, blended fibers (e.g., poly-cotton) present a significant barrier to recycling due to the difficulty of separating distinct polymers. Conversely, mono-material designs (e.g., 100% Polyamide 6) facilitate "fiber-to-fiber" recycling, ensuring materials are kept at their highest value.

13.2.4 Positioning the three-pillar framework within existing circular economy models

The circular economy literature presents multiple frameworks for operationalizing closed-loop systems. The Ellen MacArthur Foundation's Butterfly Diagram (2015) distinguishes biological and technical nutrient cycles, prioritizing material flow optimization but providing limited guidance on product architecture decisions. The Cradle-to-Cradle (C2C) framework emphasizes material health and perpetual cycling, yet treats design interventions (modularity, disassembly) as derivative outcomes of material selection rather than independent pillars (McDonough & Braungart, 2002). The 9R Framework (Refuse, Rethink, Reduce, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle) facilitates a hierarchy of circular strategies ranked by resource efficiency (Potting et al., 2017). However, the 9R model functions as a categorical inventory describing what circular activities exist without prescribing how product architecture enables or constrains those activities.

The three-pillar framework differs fundamentally by focusing on design-phase interdependencies. While existing frameworks address "what" should happen to products (repair, circulation), the three-pillar model addresses "how" product architecture enables or prevents those outcomes. Modularity is not merely desirable but a prerequisite for economic repair. Disassembly is not an end-of-life activity but a design constraint determining whether theoretical recyclability becomes realized. Material selection is not independent of fastening methods—mono-materials provide negligible circular benefit if adhesive bonding prevents access.

13.2.5 Circularity assessment metrics and the additive limitation

Beyond conceptual frameworks, operationalizing circularity requires quantitative assessment methodologies. A systematic review by Elia et al. (2017) identified over 60 circularity indicators, yet found persistent gaps in micro-level (product) assessment and value durability measurement. Table 13.1 compares four prominent metrics—Material Circularity Indicator (MCI), Overall Circularity Effectiveness (OCE), 9R Circularity Index, and Circular Economy Indicator Prototype (CEIP)—with the proposed CEI across scope, aggregation method, and pillar coverage.

Material Circularity Indicator (MCI): Developed by the Ellen MacArthur Foundation (2015), MCI quantifies the extent to which linear material flows are minimized. The metric focuses on virgin material input and unrecoverable waste output, scaled by a utility factor reflecting product lifespan. While comprehensive for material flow analysis, MCI treats product architecture as a secondary utility adjustment. Modularity and disassembly appear only indirectly through lifespan extension.

Overall Circularity Effectiveness (OCE): Baumer-Cardoso et al. (2023) developed OCE to assess manufacturing companies through 15 indicators spanning inputs and outputs. The index employs equal weighting: OCE = (1/15) Σ Indicator_i, producing scores from 0% (fully linear) to 100% (ideal circularity). This additive structure assumes all dimensions are equally important and implicitly permits compensatory trade-offs—poor disassembly performance can be numerically offset by strong performance in other indicators.

9R Circularity Index: Muñoz et al. (2024) operationalized the 9R Framework into a quantitative index using Analytic Hierarchy Process (AHP) to weight

Table 13.1 Comparison of circularity metrics.

Metric	Ref.	Primary Scope	Aggregation Method	Coverage of M, D, R*	Key Limitation / Gap
MCI	Ellen MacArthur Fdn. (2015)	Material flows (Product/Company)	Composite ratio (Material flow-based)	Indirect (via utility factor)	Focuses heavily on mass flows; treats architecture as secondary.
OCE	Baumer-Cardoso et al. (2023)	Manufacturing inputs/ outputs	Additive (Equal weights)	Partial (Lifespan extension)	Compensatory nature; assumes trade-offs between 15 indicators.
9R Index	Munoz et al. (2024)	Product circular strategies	Additive (AHP weights)	Explicit (Disassembly potential)	Weighted averages allow compensation between weak and strong strategies.
CEIP	Cayzer et al. (2017)	Product lifecycle	Additive (Points system)	Discussed (Interactions noted)	Acknowledges trade-offs but ultimately sums scores additively.
CEI	This study	Product design pillars	Multiplicative	Explicit ($M \times D \times R$)	Requires normalized coefficients (0-1 scale); threshold sensitivity necessitates sector-specific validation.

*M = Modularity, D = Design for Disassembly, R = Recyclable Materials.

strategies hierarchically (Rethink > Reduce > ... > Recover). The index explicitly incorporates disassembly potential through connection type assessment (mechanical fasteners score higher than welding/adhesives). However, strategy scores are aggregated through weighted averages (additive logic), maintaining compensatory assumptions.

Circular Economy Indicator Prototype (CEIP): Cayzer et al. (2017) developed a points-based questionnaire assessing product circularity across lifecycle stages. The prototype acknowledges "complex interactions" between dimensions—noting, for example, that lightweighting may necessitate harder-to-recycle materials. Despite recognizing interdependencies conceptually, CEIP aggregates scores additively through summation.

The Additive Limitation: All reviewed metrics employ additive aggregation (weighted sums or averages). This mathematical structure embeds a compensatory assumption—weak performance in one dimension can be numerically offset by strong performance in others. Consider a hypothetical product scoring: Modularity = 0.9, Disassembly = 0.1, Recyclability = 0.9. An additive model yields: (0.9 + 0.1 + 0.9)/3 = 0.63, suggesting "moderate circularity." However, physical reality contradicts this: with disassembly near zero (adhesive bonding), neither modularity (components cannot be accessed) nor recyclability (materials cannot be separated) realizes its full potential. The dimensions are non-substitutable, yet additive models treat them as independent contributors.

As Table 13.1 illustrates, the fundamental distinction between existing metrics and CEI lies in aggregation logic: additive versus multiplicative. Munonye (2025) identifies this as a persistent gap: existing metrics fail to capture systemic interdependencies where pillar interactions create multiplicative rather than additive effects. This limitation motivates CEI's multiplicative formulation, where $M \times D \times R$ mathematically represents non-compensatory dynamics—when any pillar approaches zero, the system's effectiveness collapses, regardless of the strength of the other pillars.

13.3 Methodology

13.3.1 Research design and literature foundation

This research employs a mixed-methods approach combining systematic literature review, comparative case study analysis, and quantitative metric development. The study addresses two critical gaps: (1) pillar synergistic interactions remain undertheorized despite extensive documentation of

individual strategies (van den Berg & Bakker, 2015), and (2) existing circularity metrics employ additive aggregation despite recognizing interdependencies (Elia et al., 2017; Munonye, 2025).

Phase One employed structured literature review across academic databases using systematic keyword combinations covering modularity, disassembly, and recyclable materials in circular economy contexts. Inclusion criteria required sources to: (1) explicitly address at least one design pillar, (2) provide empirical data rather than purely conceptual discussion, and (3) focus on consumer products. Exclusion criteria eliminated sources treating circularity solely as end-of-life waste management without design-phase interventions (Mazur-Wierzbicka, 2021).

Literature review revealed a notable scarcity of research addressing multi-pillar integration compared to single-pillar optimization studies, confirming the research gap this study addresses. The majority of sources focused on individual design strategies (modularity OR disassembly OR recyclability) rather than their synergistic interactions.

Systematic review of existing circularity metrics identified four prominent indices: Material Circularity Indicator (Ellen MacArthur Foundation, 2015), Overall Circularity Effectiveness (Baumer-Cardoso et al., 2023), 9R Circularity Index (Muñoz et al., 2024), and Circular Economy Indicator Prototype (Cayzer et al., 2017). All employ additive aggregation (weighted sums or averages), permitting compensatory trade-offs where poor performance in one dimension is numerically offset by others. This structural limitation—masking pillar interdependencies—motivated CEI's multiplicative formulation.

13.3.2 The Circular Effectiveness Index (CEI): Theoretical framework

Conceptual Foundation: CEI is proposed as a **diagnostic framework**—not a standardized compliance metric—for comparative analysis of circular design strategies. The multiplicative formulation encodes non-compensatory logic: deficiency in one dimension eliminates effectiveness regardless of strengths in others.

CEI = M × D × R

Where:

- **M** = Modularity coefficient (0.00-1.00): extent to which product architecture enables component-level upgradeability
- **D** = Disassembly coefficient (0.00-1.00): ease of material/component separation at end-of-life

- **R** = Recyclability coefficient (0.00-1.00): material quality retention through recycling cycles

The multiplicative structure reflects physical reality: when any pillar approaches zero, dependent pillars cannot realize their potential. A product with perfect recyclability (R = 1.0) but permanent bonding (D→0) achieves near-zero circular effectiveness because materials remain inaccessible.

Purpose and Scope: CEI functions for comparative analysis within or across sectors, identifying optimization trade-offs and "pillar collapse" scenarios. It is NOT proposed as a regulatory metric in current form; scoring protocols (Section 13.3.3) require validation across larger product populations before adoption as compliance thresholds for eco-labeling or Extended Producer Responsibility schemes.

Consumer Rights Linkage: The pillars operationalize core consumer rights within circular economy frameworks: M enables **right-to-repair** (component upgradeability without manufacturer dependency), D enables **right-to-information** (transparent architecture via Digital Product Passports documenting disassembly protocols), R enables **right-to-sustainable-products** (material loop closure through quality-retained recycling).

Critical Methodological Distinction: 13.3.2 defines theoretical CEI (multiplicative logic and conceptual boundaries). Section 13.3.3 operationalizes scoring for applied analysis. Scoring rubrics presented in Section 13.3.3 are preliminary protocols synthesized from literature and case data, **requiring empirical validation** across statistically significant product populations before standardization as regulatory metrics.

13.3.3 CEI Operationalization: Scoring protocol and measurement rubrics

Unlike existing indices that employ additive weighted sums (OCE: equal weighting across 15 indicators; 9R Index: AHP-derived weights), CEI's multiplicative structure requires normalized coefficients (0-1 scale) where zero represents complete system failure. This reflects physical reality: zero disassembly (D = 0) prevents material access regardless of recyclability (R).

Measurement Approach: Each coefficient scored 0.00-1.00 combining quantitative parameters (time, recovery rates) and qualitative assessments (tool accessibility, functional independence). Tables 13.2–13.4 provide detailed rubrics synthesized from industry standards (iFixit methodology),

Table 13.2 Modularity coefficient (M) scoring protocol.

M Range	Upgradeability Criterion	Replacement Time	Tool Requirements	Example Applications
0.90-1.00	Full module independence; single-component replacement restores function	<5 minutes	Tool-free or single standard tool	Fairphone battery, Framework laptop RAM
0.70-0.89	High independence; 2-3 components replaceable without full disassembly	5-15 minutes	1-2 standard tools, publicly available	Laptop HDD, automotive headlights
0.40-0.69	Moderate modularity; component access requires partial system disassembly	15-30 minutes	Specialized tools, calibration may be needed	Smartphone screens (adhesive removal)
0.10-0.39	Minimal modularity; extensive disassembly, professional service typical	>30 minutes	Proprietary tools, training required	Glued batteries, integrated PCBs
0.00-0.09	Non-modular construction; mono-block or functionally inseparable architecture	N/A (destructive)	Cutting/grinding required	Textiles, cast metal tools, injection-molded products

*__Calculation:__ M = (Independently replaceable modules / Total functional subsystems) × Time accessibility factor × Tool accessibility factor. __Sectoral constraint:__ Non-modular product categories (textiles, castings, continuous materials) default M≤0.10 regardless of material composition, reflecting functional reality rather than design failure. __Examples:__ Fairphone 5 (7/16 modules, 8-min avg replacement using standard screwdriver) → M = 0.85; PA6 textile garment (non-modular fabric architecture) → M = 0.10.

Table 13.3 Disassembly Coefficient (D) Scoring Protocol.

D Range	Separation Method	Time per Joint	Reversibility	Tool Accessibility	Example Fastening Systems
0.90-1.00	Tool-free or passive separation	<2 minutes	Fully reversible, unlimited cycles	Manual force only	Snap-fits, magnetic closures, LEGO-style interlocking
0.70-0.89	Standard tool disassembly	2-10 minutes	Reversible, >20 cycles typical	Standard screwdrivers, wrenches	Phillips screws, hex bolts, threaded fasteners
0.40-0.69	Specialized tools; semi-permanent fastening	10-30 minutes	Semi-reversible, 5-10 cycles	Proprietary drivers, heat guns	Security screws (Torx), moderate adhesives
0.10-0.39	Destructive or near-destructive methods required	>30 minutes	Minimally reversible, 1-3 cycles	Professional equipment, may void warranty	Strong adhesives (solvent required), ultrasonic welds
0.00-0.09	Non-separable without material loss	N/A	Irreversible; separation prevents reassembly	Cutting, grinding, chemical dissolution	Structural adhesives, fusion bonding, permanent welding

***Calculation:** D = (Reversible joints / Total joints) × (1 / Average separation time factor) × Tool accessibility factor.
Molecular-level disassembly: Mono-material products (e.g., 100% PA6 textiles) receive D credit for chemical homogeneity—material sorting barriers are eliminated when no incompatible polymers require separation—even when physical joints are permanent. However, D remains <1.0 because macro-level collection infrastructure still requires sorting target materials from mixed waste streams. **Examples:** Fairphone 5 (23 reversible screws, 6-min avg separation) → D = 0.64; PA6 mono-material textile (molecular homogeneity eliminates polymer separation) → D = 0.70; glue-free kitchen assembly (47 mechanical fasteners, 4-min avg) → D = 0.72.

Table 13.4 Recyclability Coefficient (R) Scoring Protocol.

R Range	Recovery Process	Quality Retention	Cycle Limit	Infrastructure	Example Materials
0.90-1.00	Chemical recycling to monomer; theoretically infinite cycles	Virgin-equivalent, <5% loss/cycle	Unlimited (molecular structure restored)	Specialized facilities operational	PA6 ECONYL, PET depolymerization, aluminum
0.70-0.89	Thermoplastic reprocessing; mechanical recycling with minor degradation	High quality, 10-20% loss over 5 cycles	5-10 cycles before downcycling	Industrial-scale mechanical sorting	Steel, copper, PE/PP mono-plastics
0.40-0.69	Mechanical recycling with downcycling; cascade to lower-value applications	Moderate, 30-50% loss/ cycle	2-4 cycles before energy recovery	Basic sorting networks (manual or density)	Mixed plastics, polycotton blends (mechanical only)
0.10-0.39	Energy recovery or extreme downcycling; minimal material loop	Severe, 60-80% loss	1-2 cycles maximum	Minimal sorting; contamination tolerated	Contaminated plastics, multi-layer packaging
0.00-0.09	No viable recovery; landfill or incineration without energy capture	Complete loss	Zero	No infrastructure or economics prohibit use	Hazardous composites, heavily contaminated waste

***Calculation:** R = Quality retention factor × Cycle limit factor × Infrastructure availability factor. **Contamination penalty:** Blended or composite materials incur R reduction proportional to separation difficulty—PA6/elastane (95/5) blend achieves R=0.50 vs. pure PA6 R=0.93 due to elastane contamination or costly separation requirements. **Examples:** Fairphone aluminum housing (6061 alloy, mechanical recycling, 95% quality retention after 5 cycles) → R = 0.81; PA6 mono-material via ECONYL (chemical depolymerization to caprolactam, 98% virgin-equivalent quality, unlimited cycles) → R = 0.93; polycotton blend 50/50 (mechanical downcycling only, fiber separation economically prohibitive) → R = 0.30.

technical guidelines (ISO disassembly standards), and peer-reviewed lifecycle assessments.

Preliminary Protocol Caveat: The scoring rubrics are derived from literature synthesis and case-specific technical data, not standardized measurement across large product populations. Threshold values (e.g., "D<0.30 suggests recyclability barriers") represent preliminary hypotheses requiring empirical validation through controlled experiments or large-N statistical analysis before adoption as design standards or regulatory thresholds.

Composite CEI Calculation:

Final CEI score computed as: **CEI = M × D × R**

Resulting CEI values range from 0.000 (complete circularity failure) to 1.000 (theoretical maximum). Preliminary threshold interpretations derived from case analysis:

- **CEI > 0.25:** Strong circular design; multiple pillars optimized
- **CEI 0.10-0.25:** Moderate circular design; at least one pillar well-optimized
- **CEI < 0.10:** Weak circular design; pillar collapse in multiple dimensions

Caveat: These thresholds are preliminary hypotheses requiring quantitative validation through controlled experimentation or large-N statistical analysis before adoption as eco-labeling criteria or regulatory standards.

13.3.4 Case study selection

Three cases spanning consumer electronics, textiles, and built environment were selected to test whether the framework generalizes across product categories with vastly different lifespans, material compositions, and end-of-life pathways. Multi-sector validation provides stronger evidence than single-industry studies, as consistent patterns across heterogeneous contexts suggest fundamental rather than sector-specific dynamics.

Selection Criteria: Cases required: (1) documented application of at least two design pillars simultaneously, (2) quantitative performance data availability (repairability scores, lifecycle cost analysis, material recovery rates), (3) commercial-scale implementation rather than laboratory prototypes, and (4) geographic diversity to account for varying regulatory environments.

Electronics Sector – Fairphone: Paradigmatic modular smartphone (operational history: 2013-present) with verified iFixit 10/10 repairability score. Seven-module architecture enables independent component replacement

without specialized tools, isolating Modularity×Disassembly interaction. Industry-standard components allow attribution of circular performance to design architecture rather than material innovation.

Textile Sector – PA6 Mono-material Systems: Polyamide 6 (PA6) demonstrates chemical recyclability through depolymerization to caprolactam monomer—a closed-loop pathway unavailable to polyester, acrylic, or blended fibers (Ellen MacArthur Foundation, 2017). Industrial-scale implementations include Aquafil's ECONYL® (36,000 tonnes/year processing capacity; 90-95% caprolactam recovery) and RadiciGroup's Dorix® line (100% PA6 garments), providing commercial validation. Comparison with blended fibers (polycotton, PA6/elastane) demonstrates how material composition alone drives circular effectiveness, isolating Recyclability pillar while controlling for modularity and disassembly.

Built Environment Sector – Glue-Free Assembly: Valcucine kitchen systems and CIRCuIT Project (Hamburg school buildings) demonstrate Disassembly×Recyclability interaction in durable goods with 20+ year lifespans (CIRCuIT Project, 2021). Mechanical fastening eliminates adhesives, enabling high material recovery rates (aluminum 95%, wood 70%). The CIRCuIT Project achieved 37-61% lifecycle cost savings through material reuse across renovation cycles, demonstrating that reversible fastening transforms construction waste into reusable asset stocks. This contrasts with electronics (3-5 years) and textiles (1-3 years), testing interaction patterns across temporal scales.

Comparative Logic: This triangulation isolates pillar contributions while revealing interaction patterns: Fairphone (M+D focus) demonstrates modularity-disassembly synergy with controlled recyclability; PA6 systems (R focus) demonstrate recyclability potential with minimal modularity; glue-free assembly (D+R focus) demonstrates disassembly-recyclability synergy in long-lifespan products. All cases represent commercial implementations with verified quantitative data, avoiding speculative bias where conceptual designs receive equal weight to operational systems. Consistent patterns across heterogeneous contexts (thermoplastics, metals, composites; 3-20+ year lifespans; repair, chemical recycling, reuse) suggest fundamental rather than sector-specific dynamics.

13.3.5 Methodological limitations

Case Generalizability: Three cases meet Design Research Methodology minimum requirements (Blessing & Chakrabarti, 2009) and align with

comparable circularity studies (OCE: 4 cases; 9R Index: 5 cases; CEIP: 1 case), but cannot capture full product diversity. Validation across additional categories (automotive, consumer appliances, medical devices) would strengthen generalizability claims.

Observational Design Constraints: Observational case research precludes isolation of confounding variables—Fairphone's success may reflect sustainability-conscious consumer positioning beyond design attributes; ECONYL's viability benefits from EU circular economy mandates creating regulatory pull. Realized circular effectiveness likely varies across regulatory and economic contexts not captured in three-case analysis.

Coefficient Assignment Subjectivity: Scoring relies on industry heuristics (15-minute disassembly benchmark for consumer electronics) and published lifecycle assessment data rather than AHP-validated expert consensus, introducing researcher judgment. Future work should develop sector-specific scoring rubrics through expert panels using systematic protocols (e.g., Delphi method) to reduce assignment variability and establish inter-rater reliability.

Threshold Validation: Threshold claims (e.g., "$D < 0.30$ suggests recyclability barriers") are preliminary hypotheses derived from three-case qualitative analysis, not validated breakpoints. The $D \approx 0.30$ threshold emerged empirically from comparing PA6 mono-materials ($D = 0.70$, $R = 0.93$) against polycotton blends ($D = 0.30$, $R = 0.30$), suggesting that disassembly barriers below this level may prevent realization of intrinsic recyclability. However, quantitative threshold determination requires controlled experimentation or large-N statistical analysis beyond this study's scope. These values should be interpreted as directional indicators for future empirical testing rather than established design standards or regulatory criteria.

Data Access Constraints: Reliance on publicly available data (iFixit teardowns, company sustainability reports, EU project documentation) restricts access to proprietary lifecycle assessment databases. The study synthesizes existing assessments rather than conducting original LCA, precluding sensitivity analysis on coefficient uncertainty. Third-party verification protocols would strengthen operationalization for policy applications.

Geographic and Infrastructure Variability: R coefficients reflect infrastructure availability in developed economies (EU, North America). Recyclability effectiveness varies significantly by geography; a material achieving $R = 0.90$ in Germany may realize $R = 0.30$ in regions lacking chemical recycling facilities or collection networks. CEI scoring should ideally specify geographic context or normalize for infrastructure maturity.

Despite these constraints, consistent interaction patterns across heterogeneous cases spanning diverse material systems, temporal scales, and recovery pathways suggest fundamental dynamics warranting larger-scale quantitative validation and pilot integration into policy instruments such as Digital Product Passports and eco-labeling schemes.

13.4 Case Study Evidence

13.4.1 Electronics: The Fairphone case

The Fairphone represents the paradigmatic case study in modular consumer electronics, demonstrating how architectural decisions enable circular product lifecycles. Launched in 2013 and now in its fifth generation, Fairphone has consistently achieved perfect repairability scores (10/10 from iFixit), contrasting with conventional smartphones scoring 2-4/10 due to adhesive-bonded batteries, soldered components, and proprietary fasteners (Ramirez, 2015).

Modular Architecture and Design Decisions: Fairphone's circular effectiveness derives from its seven-module architecture: battery, display, camera module, USB port assembly, speaker, microphone, and main board. Each module functions as an independently replaceable unit connected through standardized interfaces rather than permanent bonds. The battery can be replaced by end-users in under two minutes without tools. Display replacement requires eight minutes and a single Phillips screwdriver. Conventional smartphones require heat guns to soften adhesive, specialized prying tools, and carry 30-40% component breakage risk during disassembly.

Modularity × Disassembly Synergy: The Fairphone case isolates the interaction between Pillar 1 (Modularity) and Pillar 2 (Design for Disassembly). Modularity alone enables theoretical upgradeability—seven independent functional units—but without tool-free disassembly, this potential remains inaccessible to average consumers. Conversely, disassembly-friendly fastening alone provides access, but without modular boundaries, users must replace entire assemblies. The synergy emerges in their combination: modular architecture creates repair value by isolating failures to replaceable units, while reversible fastening makes that value accessible without specialized technical skills. This enables a repair ecosystem—Fairphone maintains spare parts availability for five years post-launch.

Circular Effectiveness Index Application: Fairphone scores: **M = 0.85** (7 replaceable modules), **D = 0.90** (tool-free battery, 8-minute display

replacement), **R = 0.40** (industry-standard materials—aluminum, copper, mixed plastics).

CEI = 0.85 × 0.90 × 0.40 = 0.306

Conventional smartphones score: M ≈ 0.10 (glued battery, soldered components), D ≈ 0.15 (45+ minutes, heat gun required), R ≈ 0.40 (identical materials).

CEI = 0.10 × 0.15 × 0.40 = 0.006

The **51-fold improvement** (0.306 vs. 0.006) occurs entirely through architectural design while controlling for material recyclability—both products use identical aluminum, copper, and plastic compositions. This validates the multiplicative formulation: when disassembly approaches zero (D = 0.15), even high modularity cannot realize repair potential; when modularity approaches zero (M = 0.10), disassembly only provides access to non-replaceable integrated assemblies. The pillars function as multipliers, not additive contributors.

Synergistic Effect Demonstrated: Fairphone isolates Modularity × Disassembly synergy. Modularity creates discrete functional units with independent lifespans; disassembly makes those units economically accessible for replacement. Together, they shift failure management from device disposal (linear model) to component replacement (circular model). The case demonstrates that circular electronics require both pillars simultaneously—neither modularity nor disassembly alone achieves circular effectiveness at commercially viable scales. This M × D pattern contrasts with textiles (R × D at molecular scale with constrained modularity) and furniture (D × R with moderate modularity), demonstrating that pillar interactions vary by product architecture while the multiplicative relationship remains constant across sectors.

13.4.2 Textiles: Mono-material strategies and the PA6 paradigm

Interaction Focus: Recyclability × Disassembly at Molecular Scale: The textile case demonstrates that Recyclability (Pillar 3) depends fundamentally on Disassembly (Pillar 2), even at the molecular level. Unlike Fairphone (M × D synergy through modular architecture) and glue-free assembly (D × R synergy through reversible fastening), textiles reveal a molecular-scale interaction: mono-material design (100% PA6) eliminates polymer separation challenges—functioning as "molecular disassembly"—while soluble stitching (PVA threads) enables passive component separation. This case isolates

how material selection and separation mechanisms interact when modularity is functionally constrained by product architecture.

PA6 Chemical Recycling Pathway: PA6 is a thermoplastic polyamide enabling chemical depolymerization: polymer chains are cleaved back to caprolactam monomer through high-temperature hydrolysis (Ellen MacArthur Foundation, 2017). This monomer can then be re-polymerized to virgin-equivalent PA6 fiber without mechanical property loss—a closed-loop pathway that mechanical recycling (shredding and re-melting) cannot achieve due to progressive polymer chain degradation.

Aquafil's ECONYL® system: Operational since 2011, ECONYL converts post-consumer PA6 waste (fishing nets, carpet fibers, industrial scrap) into regenerated nylon with virgin-equivalent mechanical properties, achieving 90-95% material recovery efficiency. The system demonstrates theoretically infinite recyclability: the same PA6 molecules undergo depolymerization-re-polymerization cycles indefinitely without cumulative degradation (Aquafil, 2024).

Comparative Material Systems Performance: Table 13.5 quantifies circular effectiveness differentials between mono-material and blended textile systems.

Mono-materials eliminate disassembly challenges through chemical homogeneity. When elastane (5% by weight) is blended with PA6, recyclers must either accept contamination (reducing quality to $R \approx 0.50$) or perform costly separation. Mono-material PA6 circumvents this, demonstrating how material selection (Pillar 3) addresses separation challenges (Pillar 2) at the molecular scale.

Circular Effectiveness Index Application: PA6 mono-material garments score: **$M \approx 0.10$, $D \approx 0.70$, $R = 0.93$**.

The low modularity coefficient ($M = 0.10$) reflects functional constraints: garments derive structural integrity from continuous fabric panels, not discrete modules. Unlike electronics where batteries serve independent functions, textile components function interdependently. This constraint means textiles optimize circularity through $R \times D$ interaction rather than $M \times D$ interaction.

The disassembly coefficient ($D = 0.70$) reflects chemical homogeneity: mono-material design eliminates polymer separation at the molecular level. Unlike polycotton blends requiring costly separation ($D \approx 0.30$), PA6 mono-materials enable direct depolymerization. The chemical structure itself facilitates the disassembly mechanism—hydrolysis cleaves polymer chains

Table 13.5 Comparative Recyclability of Textile Material Systems.

Material System	Recovery Rate	Quality Retention	Realized R Coefficient	CO_2 Savings vs Virgin
PA6 Mono-material (ECONYL)	90-95%	Virgin-equivalent	0.93	80-90%
Polycotton Blend (50/50)	30-40%	Downcycled	0.30	10-20%
PA6/Elastane (95/5)	60-70% (PA6 only)	Contaminated	0.50	40-50%

without requiring mechanical separation of incompatible polymers. D = 0.70 (not 1.0) because collection infrastructure still requires labor and capital investment.

The recyclability coefficient (R = 0.93) reflects ECONYL's chemical recycling achieving virgin-equivalent caprolactam recovery with minimal quality loss.

CEI = 0.10 × 0.70 × 0.93 = 0.065

Polycotton blend garments score: M ≈ 0.10, D ≈ 0.30 (polymer separation economically non-viable), R = 0.30 (mechanical downcycling).

CEI = 0.10 × 0.30 × 0.30 = 0.009

The **7-fold improvement** (0.065 vs. 0.009) isolates the R × D interaction's impact while controlling for modularity constraints. Notably, PA6's CEI (0.065) remains substantially lower than Fairphone (0.306) despite superior recyclability (0.93 vs. 0.40). This validates the multiplicative formulation: high recyclability cannot compensate for low modularity in absolute terms. However, within the textile sector where modularity is functionally constrained, mono-material design represents the optimal circular strategy.

Synergistic Effect: R×D Interaction at Molecular Scale: The PA6 case reveals that Recyclability depends on Disassembly even at the molecular level. Mono-material design circumvents physical polymer separation through chemical homogeneity. This functions as molecular-level disassembly: the polymer structure enables clean monomer recovery without mechanical separation of distinct materials. However, ECONYL still requires collection infrastructure physically separating PA6 textiles from mixed waste streams, explaining why D = 0.70 rather than approaching 1.0.

Polycotton blends possess moderate intrinsic recyclability but achieve realized R = 0.30 because D ≈ 0.30—polymer separation is economically non-viable, leading to mixed-stream mechanical recycling that downgrades both components. PA6 mono-materials achieve realized R = 0.93 because D = 0.70—chemical homogeneity enables molecular separation. The CEI calculation (0.065 vs. 0.009) quantifies this R × D interdependence: recyclability coefficient cannot be realized without disassembly coefficient at both molecular and physical scales.

The textile case suggests that when modularity is functionally constrained (M = 0.10), optimizing R × D interaction becomes the primary circular strategy. This contrasts with electronics (M × D optimization) and furniture (D × R optimization). The three-case triangulation reveals that optimal pillar combinations vary by product category based on functional constraints, but the multiplicative relationship between pillars remains constant—pillar collapse in any dimension eliminates circular effectiveness regardless of sector.

13.4.3 Built environment: Glue-free assembly and design for disassembly

Interaction Focus—Disassembly × Recyclability in Durable Goods: The built environment—furniture and construction—presents unique circular economy challenges due to extended product lifespans (20-50 years) and complex material assemblies. Traditional manufacturing prioritizes permanent bonding through adhesives and welding to achieve structural integrity and cost efficiency. However, these irreversible connections create "material hybrids" where high-value recyclable materials (aluminum, hardwood) become permanently contaminated, forcing end-of-life products into landfills or low-value downcycling. The glue-free assembly paradigm demonstrates that reversible mechanical fastening can achieve equivalent structural performance while enabling clean material separation. Unlike Fairphone (M × D focus) and textiles (R × D at molecular scale), this case isolates how Disassembly enables Recyclability at the product assembly level.

Valcucine Kitchen Systems: Technical Implementation: Italian manufacturer Valcucine pioneered industrial-scale glue-free furniture through its Invitrum and Meccanica Demodè kitchen lines, operational since 2003. The system eliminates adhesives, relying on aluminum extrusion profiles with integrated T-slot channels, cam-lock connectors for tool-free disassembly, and compression fittings. This enables component-level disassembly within 20-30 minutes. Material recovery rates exceed adhesive-bonded equivalents:

aluminum achieves 95% recycling efficiency, tempered glass 80%, and hardwood 70% for furniture-grade reuse. Adhesive-bonded kitchens require destructive disassembly—sawing contaminates wood with adhesive residue and metal fragments, forcing composite waste into incineration at recovery rate $R<0.25$.

CIRCuIT Project: Circular Buildings as Material Banks: The Horizon 2020-funded CIRCuIT (Circular Construction In Regenerative Cities) Project retrofitted two Hamburg school buildings using reversible connection systems: bolted steel frames, modular wall panels with mechanical clips, and accessible cable management (CIRCuIT Project, 2021). Buildings designed for 20-year renovation cycles treat materials as asset stocks: aluminum facade panels and steel structural members retain 60-80% initial value after disassembly. Across three renovation cycles (60-year lifespan), material reuse generated 37-61% lifecycle cost savings compared to linear construction baselines.

Disassembly × Recyclability Synergy: The glue-free cases isolate the interaction between Design for Disassembly (Pillar 2) and Recyclable Materials (Pillar 3). Aluminum, glass, and hardwood possess excellent intrinsic recyclability ($R>0.80$) when processed as clean streams. However, adhesive bonding creates "material prisoners"—high-value materials become inaccessible without destructive extraction that contaminates the stream. Reversible fastening liberates recyclability potential: mechanical joints allow clean separation, delivering materials to specialized recyclers without cross-contamination. CIRCuIT quantified this: conventional buildings with $R = 0.80$ materials achieved realized recovery $R<0.25$ due to bonded assemblies. CIRCuIT buildings with identical materials but reversible fastening achieved realized recovery $R = 0.75$—disassembly enabled theoretical recyclability to become actual recyclability.

Circular Effectiveness Index Application: Valcucine/CIRCuIT systems score: **$M \approx 0.30$, $D = 0.85$, $R = 0.85$**.

The modularity coefficient ($M = 0.30$) reflects limited functional upgradeability: cabinet panels are discrete units that can be replaced or rearranged, providing greater modularity than textiles ($M = 0.10$) but less than electronics ($M = 0.85$). Panel-level modularity exceeds continuous construction (poured concrete, welded steel) which would score $M \approx 0.10$.

The disassembly coefficient ($D = 0.85$) reflects 20-30 minute disassembly time, mechanical fasteners requiring only standard tools, and documented assembly procedures. This approaches Fairphone's $D = 0.90$ but remains slightly lower due to furniture's larger scale and greater fastener count.

The recyclability coefficient (R = 0.85) represents weighted average: aluminum (95% recovery × 40% mass) + glass (80% × 30%) + wood (70% × 30%) = 0.83 composite.

CEI = 0.30 × 0.85 × 0.85 = 0.217

Conventional adhesive-bonded furniture/construction scores: M ≈ 0.10 (integrated assemblies), D ≈ 0.20 (destructive demolition, 60+ minutes), R ≈ 0.25 (contaminated streams).

CEI = 0.10 × 0.20 × 0.25 = 0.005

The **43-fold improvement** (0.217 vs. 0.005) occurs through fastening strategy alone while material composition remains constant. Both conventional and glue-free systems use aluminum, glass, and wood—the circular effectiveness differential derives entirely from connection methodology. This validates the non-compensatory logic: high recyclability materials (R = 0.85 intrinsic) cannot compensate for low disassembly (D = 0.20), and physical reality shows the combination yields near-zero circularity. The multiplicative formulation correctly predicts this collapse.

Synergistic Effect Demonstrated: Disassembly Enables Recyclability: The glue-free cases demonstrate that Disassembly enables Recyclability by transforming "material hybrids" (contaminated composite waste) into "material banks" (clean mono-material streams). Reversible fastening does not increase the intrinsic recyclability of aluminum, glass, or wood—these materials possess R>0.70 regardless of assembly method. Rather, disassembly determines whether theoretical recyclability becomes realized recyclability. Adhesive bonding reduces realized R from 0.85 to 0.25 by contaminating separation; mechanical fastening preserves realized R ≈ 0.85 by enabling clean disassembly.

CIRCuIT's 37-61% lifecycle cost savings derive directly from this D×R enabling relationship. Materials retain value across renovation cycles because disassembly preserves their quality—panels removed via mechanical fastening arrive at recycling facilities as clean streams commanding premium prices. This challenges conventional construction economics treating permanent bonding as cost-efficient. When lifecycle costs incorporate material value retention, reversible fastening becomes economically superior despite 5-10% higher initial installation costs.

The glue-free assembly case completes the three-case triangulation by demonstrating D × R interaction in long-lifespan products (20–50 years) with moderate modularity (M = 0.30). Combined with Fairphone (M × D in

electronics) and PA6 textiles (R×D at molecular scale), the evidence demonstrates that all three pillars exhibit pairwise synergistic interactions. The multiplicative relationship captures this interdependence mathematically—when any coefficient approaches zero, circular effectiveness collapses regardless of other pillars' strength.

13.5 Discussion

The case study evidence demonstrates that circular economy transitions are constrained not by technological limitations but by systemic design integration failures. The three-pillar framework—Modularity, Design for Disassembly, and Recyclable Materials—facilitates an operational methodology for embedding circularity at the product architecture level rather than retrofitting it as an end-of-life consideration. This discussion synthesizes cross-case patterns, validates the multiplicative formulation against additive alternatives, and identifies threshold dynamics with policy implications.

13.5.1 Validating the multiplicative formulation: Non-compensatory dynamics

The Circular Effectiveness Index (CEI) employs multiplicative aggregation ($M \times D \times R$) to capture pillar interdependencies mathematically. This structural choice differentiates CEI from existing circularity metrics that rely on additive weighted sums—Material Circularity Indicator (Ellen MacArthur Foundation, 2015), Overall Circularity Effectiveness (Baumer-Cardoso et al., 2023), 9R Circularity Index (Muñoz et al., 2024), and Circular Economy Indicator Prototype (Cayzer et al., 2017). As established in Section 2.5, additive models embed compensatory assumptions: weak performance in one dimension can be numerically offset by excellence in others.

The three-case triangulation validates that this compensatory logic contradicts physical reality. Fairphone demonstrates that when disassembly approaches zero ($D = 0.15$ in conventional smartphones), modularity ($M = 0.85$) cannot realize repair potential—users cannot access modules regardless of their independent replaceability. The CEI calculation quantifies this: conventional smartphones score 0.006 versus Fairphone's 0.306, a 51-fold differential driven by $M \times D$ interaction. An additive model would yield 0.217 for conventional versus 0.717 for Fairphone—a 3.3-fold differential that vastly underestimates architectural impact and suggests conventional smartphones achieve "moderate circularity" when physical reality demonstrates near-zero effectiveness.

The PA6 textile case extends validation to molecular-scale interactions. Polycotton blends achieve R = 0.30 because polymer separation (D = 0.30) is economically non-viable. Mono-material PA6 achieves R = 0.93 because chemical homogeneity functions as molecular-level disassembly (D = 0.70). The 7-fold CEI improvement (0.065 vs 0.009) captures this R × D interdependence; additive aggregation would calculate 0.233 for polycotton versus 0.577 for PA6, a 2.5-fold difference that understates the synergistic effect and incorrectly suggests polycotton achieves "low-moderate" circularity when industrial practice demonstrates downcycling.

These patterns validate the multiplicative premise: pillars function as multipliers, not independent contributors. When any coefficient approaches zero, system effectiveness collapses regardless of other pillars' strength—a defining characteristic of non-compensatory systems that additive models cannot capture.

13.5.2 Cross-sector patterns: Disassembly as enabling pillar

Systematic comparison across electronics, textiles, and furniture reveals asymmetric pillar relationships. Design for Disassembly consistently emerges as the enabling pillar—it determines whether other pillars can function.

Electronics (Fairphone): Modularity creates discrete functional units with independent upgrade pathways. However, disassembly (reversible fastening, tool-free access) makes that theoretical potential accessible. The interaction is bidirectional but asymmetric: preliminary case evidence suggests that when D approaches 0.50, repair labor costs may begin to exceed component value, potentially undermining the repair ecosystem regardless of modular architecture.

Textiles (PA6): Modularity is functionally constrained—garments derive structural integrity from continuous fabric. This forces textile circularity to depend on R × D interaction. Mono-material design eliminates polymer separation at the molecular level, functioning as "molecular disassembly." However, ECONYL still requires collection infrastructure physically separating PA6 textiles from mixed waste streams (macro-level D). Without this passive separation mechanism (D = 0.70), even chemically recyclable PA6 would require manual seam removal, making recovery economically marginal.

Furniture (Glue-Free): Aluminum, glass, and hardwood possess excellent intrinsic recyclability (R > 0.80), yet adhesive bonding reduces realized recovery to R < 0.25. Reversible fastening does not increase material

recyclability—rather, disassembly determines whether theoretical recyclability becomes realized recyclability. The CIRCuIT Project quantified this: identical materials (R = 0.80 intrinsic) achieved 0.25 realized recovery with adhesive bonding versus 0.75 with mechanical fastening.

This cross-sector pattern suggests a hierarchy: Design for Disassembly functions as prerequisite infrastructure enabling both modularity and recyclability to deliver circular value. Case comparison suggests that material innovation (improving R) and modular architecture (improving M) may provide negligible circular benefit when disassembly approaches 0.30 because separation becomes economically non-viable. This challenges circular economy policies focused predominantly on material targets without corresponding disassembly standards.

13.5.3 Threshold effects and policy implications

Preliminary analysis indicates that the D × R interaction may exhibit threshold dynamics. When disassembly approaches D ≈ 0.30 (corresponding to disassembly times exceeding ~45 minutes), recycling infrastructure may shift from manual separation to bulk shredding. This transition could contaminate material streams, potentially limiting realized recyclability below R = 0.40 regardless of material composition. These threshold values represent directional hypotheses requiring empirical validation. Both blended textiles (D = 0.30) and adhesive-bonded furniture (D = 0.20) converge on R ≈ 0.30 despite different base materials, suggesting that low disassembly may create a recyclability ceiling independent of material chemistry.

Conversely, case comparison suggests that products achieving D ≥ 0.50 may enable recycling infrastructure to pursue clean material separation, allowing realized recyclability to approach intrinsic recyclability. PA6 garments with soluble stitching (D = 0.70) achieve R = 0.93; CIRCuIT buildings (D = 0.85) achieve R = 0.75–0.85. This pattern suggests a potential viability threshold around D ≈ 0.50. This threshold hypothesis requires validation across diverse product categories, geographic contexts, and temporal periods.

Policy Implications: Current circular economy regulations emphasize material composition (EU Ecodesign mandates, recycled content targets) but provide limited guidance on disassembly requirements. The threshold dynamics identified here suggest that material mandates may prove ineffective without corresponding Design for Disassembly standards. Policymakers should consider coupling recycled content targets with maximum disassembly time thresholds (e.g., ≤15 minutes for consumer electronics, ≤30 minutes

for furniture) and mechanical fastener requirements for high-value material streams. Digital Product Passports (DPPs) mandated under EU Sustainable Products Regulation could encode M, D, R coefficients, enabling procurement policies to preferentially select high-CEI products rather than optimizing pillars in isolation.

13.5.4 Economic viability and consumer behavior shifts

Lifecycle analysis demonstrates that circular design's initial production costs are offset by extended product life. Fairphone's modular architecture increases production-phase embodied energy by ~10% versus integrated designs, yet 60% lifespan extension (4.5 versus 2.8 years average retention) translates to 35–40% reduction in annualized environmental impact (Ellen MacArthur Foundation, 2019). The economic case strengthens when incorporating material value retention: CIRCuIT Project buildings designed for disassembly achieved 37–61% lifecycle cost savings versus conventional construction, as aluminum panels, steel members, and modular systems retain 60–80% initial value after disassembly. When lifecycle costs account for material value, reversible fastening becomes economically superior despite 5–10% higher installation costs (CIRCuIT Project, 2021).

Consumer behavior presents distinct challenges. Products designed for circularity require active stewardship—users must perform periodic maintenance (battery replacement, module upgrades) rather than expecting "mechanical servant" functionality where devices work maintenance-free until catastrophic failure. Fairphone's commercial persistence since 2013 suggests niche consumer segments value "Right to Repair" and longevity sufficiently to accept both price premiums and maintenance responsibilities. The tension between consumer convenience and circular requirements suggests that optimal strategies vary by product category: high-involvement durable goods (electronics, furniture) can support active maintenance models, while low-involvement consumables (textiles, packaging) require passive circular mechanisms.

13.5.5 Research limitations and future directions

As detailed in Section 3.5, this study's exploratory methodology limits generalizability. Future research should pursue four extensions: First, coefficient standardization through expert panel consensus, potentially adapting Analytic Hierarchy Process (AHP) methodology. Current assignments rely on industry heuristics and published LCA data rather than systematic validation.

Second, large-sample validation of threshold claims across automotive, consumer appliances, and medical devices. Threshold values likely vary by labor cost contexts and product lifecycles. Third, sensitivity analysis on coefficient uncertainty through probabilistic CEI models with Monte Carlo simulation. Fourth, integration with LCA databases (e.g., Ecoinvent) to validate whether high-CEI products achieve superior environmental outcomes across multiple impact categories.

Despite these limitations, the consistent interaction patterns across heterogeneous cases—thermoplastics versus metals versus wood; 3-year versus 20-year lifespans; repair versus chemical recycling—suggest fundamental rather than sector-specific dynamics. The multiplicative formulation captures physical constraints that additive models systematically underestimate.

13.6 Conclusion

The transition to a circular economy is fundamentally a design challenge rather than a waste management problem. This research demonstrates that circular effectiveness depends on the synergistic integration of three interdependent design pillars: Modularity, Design for Disassembly, and Recyclable Materials. Through comparative case study analysis across electronics, textiles, and furniture sectors, we have validated that these pillars function multiplicatively rather than additively—their combined effectiveness is constrained by the weakest pillar rather than compensated by the strongest, and pillar collapse in any dimension eliminates circular outcomes regardless of other pillars' strength.

The empirical evidence supports three primary conclusions. First, the Circular Effectiveness Index (CEI) quantifies synergistic interactions through multiplicative aggregation ($M \times D \times R$), distinguishing it from existing additive metrics (MCI, OCE, 9R Index, CEIP). Case study evidence demonstrates that circular design leaders achieve 7-fold to 51-fold improvements over conventional baselines. Second, cross-sector comparison reveals asymmetric pillar relationships where Design for Disassembly consistently emerges as the enabling pillar—it determines whether other pillars can function. This pattern holds across electronics (D enables M), textiles (D enables R at molecular scale), and furniture (D gates realized recyclability). Third, preliminary case evidence suggests the $D \times R$ interaction may exhibit threshold effects. When disassembly approaches $D \approx 0.30$, recycling infrastructure may shift to bulk shredding, potentially limiting realized recyclability below $R = 0.40$. These threshold values represent directional hypotheses requiring validation across diverse sectors and economic contexts.

13.6.1 Implications for stakeholders

Manufacturing Strategy: Adopting the three-pillar framework represents strategic hedging against raw material volatility rather than solely environmental compliance. Design for Disassembly transforms end-of-life products into "urban mines," enabling manufacturers to reclaim proprietary materials (Enel & Fondazione Symbola, 2018). The Fairphone case demonstrates that modular architectures, despite 10% higher production-phase embodied energy, achieve lifecycle environmental payback within 18–24 months through 60% lifespan extension. Economic viability strengthens as Extended Producer Responsibility regulations expand, shifting end-of-life costs to manufacturers and incentivizing design-for-circularity.

Textile Industry Directions: Material composition simplification emerges as the primary lever for textile circularity. The shift from blended fibers toward mono-materials (100% PA6) addresses the fundamental barrier that mechanical separation of incompatible polymers remains economically non-viable (Rahee & Sarker, 2024). The European Union's Ecodesign for Sustainable Products Regulation (2024) empowers the Commission to set product-specific requirements, including recycled content, for textiles through delegated acts, creating regulatory pull for mono-material designs (Ramírez-Escamilla et al., 2024). Industrial-scale viability is demonstrated through ECONYL's 90-95% caprolactam recovery. However, scaling requires industry-wide polymer standardization enabling sorting infrastructure.

Policy Recommendations: Consumer empowerment in circular economy requires both regulatory intervention and design-phase implementation. Current circular economy regulations addressing material composition without fastening requirements risk creating "phantom circularity"—products theoretically recyclable but practically inaccessible (van den Berg & Bakker, 2015). The potential threshold dynamics observed suggest effective policy must regulate assembly methods alongside material targets. Three evidence-based interventions merit consideration:

1. **Digital Product Passports (DPP):** Mandate machine-readable documentation encoding material composition, disassembly procedures, and M/D/R coefficients via QR codes or RFID tags. The EU's DPP regulation (batteries and electronics by 2027) should extend to textiles and furniture, enabling procurement policies to preferentially select high-CEI products rather than optimizing pillars in isolation.
2. **Fiscal Rebalancing for Repair:** Tax structures currently burden repair relative to replacement—19-25% VAT on spare parts versus embedded

production subsidies for virgin material extraction. Zero-VAT spare parts policies would shift consumer economics toward repair, creating market demand for modular/disassemblable designs.

3. **Design for Disassembly Standards:** Establish sector-specific maximum disassembly time benchmarks (e.g., ≤15 minutes for consumer electronics, ≤30 minutes for furniture) and mechanical fastener requirements for high-value material streams.

13.6.2 Research limitations and future directions

This exploratory study establishes conceptual validity but requires quantitative extension. First, coefficient standardization through systematic expert consensus using Analytic Hierarchy Process validation employed by comparable metrics (Muñoz et al., 2024). Current CEI assignments rely on industry heuristics and published LCA data rather than validated consensus. Second, large-sample validation of threshold claims across automotive, consumer appliances, medical devices, and packaging sectors. Threshold values likely vary by labor cost contexts and product lifecycles. Three cases meet Design Research Methodology minimum requirements but cannot validate sector-wide generalizability. Third, integration with lifecycle assessment methodologies. Coupling CEI with LCA databases (Ecoinvent, GaBi) would enable direct quantification of carbon footprint and resource depletion, validating whether high-CEI products achieve superior environmental outcomes across multiple impact categories. Fourth, behavioral dimensions require investigation. Consumer psychology research demonstrates that "mechanical servant mythology" persists despite right-to-repair movements (Baxter et al., 2015; Piscicelli et al., 2015). Longitudinal studies tracking user engagement with modular products would clarify whether design interventions alone suffice or require parallel educational campaigns.

13.6.3 Concluding statement

Circularity is achieved through design interventions embedding circular logic at product conception. When products are designed to be upgraded (modularity), disassembled (reversible fastening), and regenerated (mono-materials), consumption and resource destruction become decoupled. The three-pillar framework provides manufacturers, policymakers, and designers with a systematic methodology for operationalizing circular economy principles.

The viability of circular alternatives is demonstrated: Fairphone maintains commercial operation since 2013; ECONYL achieves virgin-equivalent output; CIRCuIT buildings deliver 37-61% lifecycle cost savings. These cases prove that circular design is operational present reality. Scaling requires systemic adoption—not technological invention but implementation of proven methodologies.

Linear systems predicated on infinite resource availability face inevitable constraints. The circular alternative exists, validated through cross-sector commercial implementation. The pathway forward runs through design decisions embedding circularity at product architecture level. This transition represents both environmental necessity and economic opportunity—manufacturers reclaiming material value, consumers accessing repair ecosystems, policymakers reducing waste infrastructure costs.

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14

Biocircularity: A Yardstick to Assess the Impact of Circular Bioeconomy

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14.1 Introduction

The concepts of circular economy (ECDGE, 2020) and bioeconomy (EC, 2022) have emerged as cornerstones of European Union "sustainability" policies. Circular economy should theoretically decouple adverse impact from consumption while maintaining economic activity, and bioeconomy should reduce dependence on fossil carbon by substituting biogenic carbon. The most recent policy has integrated both into the concept of circular bioeconomy (EC, 2025), theoretically providing decarbonisation and decoupling in one policy context. While these policies have theoretical benefits for European society and the wider world, there are many issues that make implementation of a transition from a fossil fuel driven linear economy to circular bioeconomy a complex challenge. An important question for many stakeholders, including research funders, investors, scientists, policy makers and consumers, is, how to evaluate whether an innovation or system that delivers a product to market (purchased by a business (B2B) or consumer (B2C)) is contributing to a sustainable future.

This chapter starts by setting the context of circular bioeconomy, presents a framework that can be used to objectively assess whether a product or process contributes to a sustainable circular bioeconomy, and then evaluates

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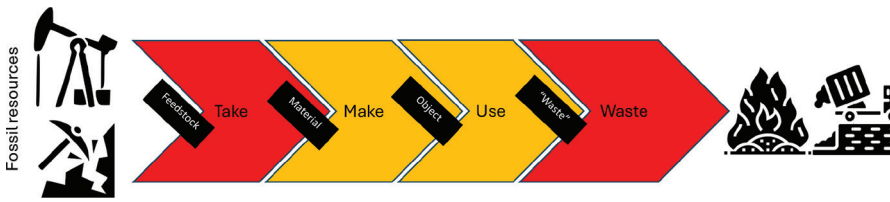

Figure 14.1 Schematic representation of the conventional, fossil fuel driven economy. Source: drawn by the author.

how the framework could be used to help identify best practice, protect consumers from greenwash and help product selection choices, and provide a basis for new product design. It concludes with a brief evaluation of how biocircularity could contribute to achieving sustainable development goal targets.

14.1.1 Circular economy, bioeconomy and circular bioeconomy

In very simple terms, the circular economy concept is intended to decouple environmental impact from consumption. Over the last 200 years, industrial development and growth have been founded on a 'take-make-use-waste' approach (Figure 14.1). It is now apparent that excessive waste, polluting emissions and energy and scarcity of resources have been driven by economic growth causing adverse impacts such as climate change, water quality loss and biodiversity loss, and adverse human and ecosystem outcomes (Ripple et al., 2017). The linear conception of economic development arose in the early 20th century when human populations were much smaller and natural resources much more abundant. The linear, growth economy assumes that resources are replaceable or so vast they will never run out, that it is cheaper to dispose and start again than to repair, reuse or recover materials, and that prosperity and happiness are driven by consumption of things. The linear economy extracts value and profit by the continual sale of newer, more fashionable products.

The European Union has now recognised that natural resources are finite, and earth systems cannot adapt to and buffer the impact of the global economy. One policy response has been to look to bioeconomy as a solution. The European Community originally described the bioeconomy as, "… all sectors and systems that rely on biological resources…, their functions and principles [including] land and marine ecosystems and the services they provide…all economic and industrial sectors that use biological resources and processes…" (EU, 2018). This is a general definition that is inclusive of many actor and stakeholder perspectives and offers little disruption

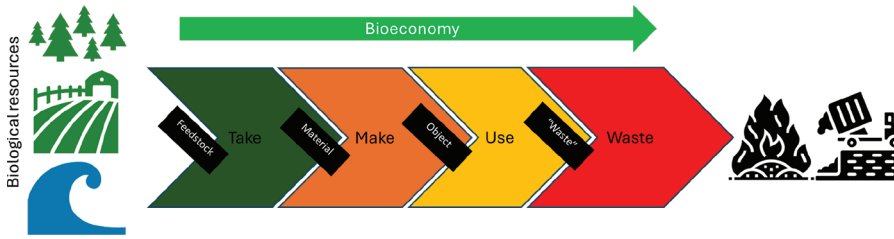

Figure 14.2 Business-as-usual conception of linear bioeconomy substituting biogenic carbon for fossil carbon in materials and products. Source: drawn by the author.

of business-as-usual other than a slight emphasis on ecosystem services (Figure 14.2). It does not really help stakeholders understand the attributes of bioeconomy that are necessary to change the carbon intensive, take-make-use-waste business-as-usual. The ambition is for bioeconomy to be an alternative way of delivering the products, processes, and services wanted by human society that are less reliant on fossil carbon, for example, the harnessing of biological processes such as fermentation to supply materials such as monomers and polymers built from biogenic carbon to make products such as plastic bottles, and to deliver services such as soil reclamation using microbes (Laibach et al., 2019).

Despite this very techno-centric description of bioeconomy, it has a familiarity for consumers because for centuries we have relied on it for food, fibre, provided building materials, medicines and some raw materials for industry. The past century and more of industrial revolution has reshaped the economy through use of non-renewable resources and fossil carbon (Zilberman et al., 2018). For example, it is difficult to image 20th Century agriculture without motive power enabled by oil. In recent years there has been an increased focus on reversing this trajectory; returning to a reliance on biology, rather than oil and mined minerals to create materials to make everyday objects, provide chemicals and energy for movement, heating, and lighting. Bioeconomy conceived in this way will not necessarily eliminate polluting emissions to the wider environment that have an adverse impact on human wellbeing (human capital), natural resources (and the broader concept of the stocks, processes and flows of services provided by natural capital), and the man-made environment (cities, roads and other infrastructure), but it does offer a route to decarbonisation.

The European Unions has also embraced the circular economy as a policy strategy that can drive climate adaptation and reduce the impact of the economy on the natural environment. Circular economy takes a different approach to the traditional linear economies illustrated in Figures 14.1 and

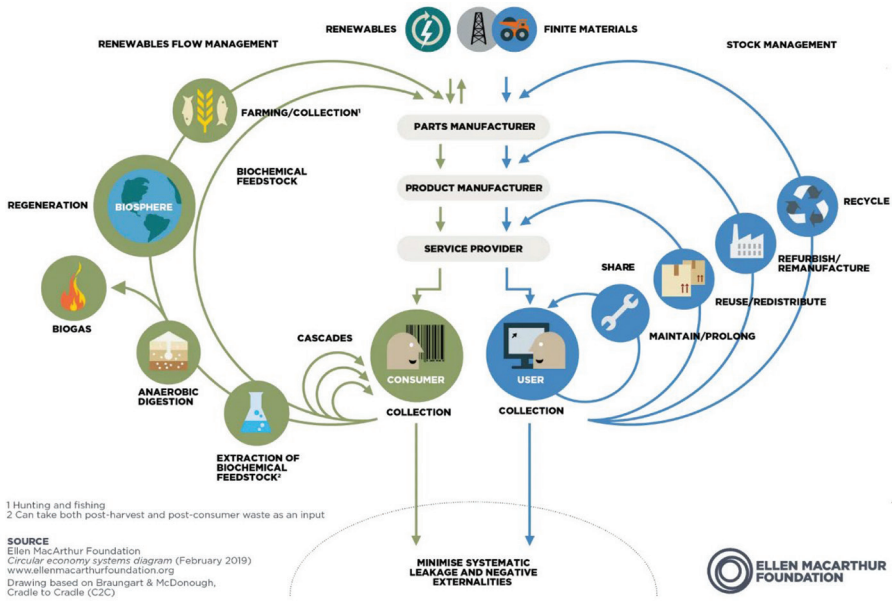

Figure 14.3 Schematic representation of the circular economy illustrating the technical cycle (blue) and the regenerative cycle (green). Source: Ellen MacArthur Foundation (2019).

14.2, where materials, goods and products are used for as long as possible and value and profit are extracted from the supply of materials that maintain their life through design for longevity, re-use, recycling and end of life resource extraction and return (Muñoz et al., 2024) (Figure 14.3). Circular economy should allow people to keep having the things they want, drive economic activity all while recognising that resources are finite and should not be wasted. A circular economy keeps the added value in products for as long as possible and aims to eliminate waste, keep resources within the economy when a product has reached the end of its life, so that they can be productively used again and again and hence create further value (Ellen MacArthur Foundation, 2015). The idea is that once a resource is extracted from the Earth to make something of value to humans, it is kept available for as long as possible until it has degraded so much that it can no longer be used, at which point any remaining resources or energy can be extracted and what is left is returned to the Earth. Theoretically the circular economy approach will decouple consumption from adverse environmental impact without compromising economic activity.

A sustainable circular bioeconomy should operate within the requirements of the circular economy. A circular bioeconomy is not as simple as it sounds. A bioeconomy value chain may be spread across the world. For example, Irish milk production systems use feed from Brazil, Ukraine and Ireland. The milk is produced in Ireland and goes on to make milk powder and bioplastic containers in Ireland that travel to China. Here the milk powder is consumed and ends up in the sewerage system and a human, and the container ends up in a landfill or being composted and land spread somewhere near the city it was purchased in. In this case, we have to ask how circular can the *product* system really be? Obviously, the dairy product cannot be circularised. However, the circular bioeconomy also considers a regenerative cycle (Ellen MacArthur Foundation (2019)) (Figure 14.3). At a global scale, it is possible to envisage that some of the nutrients end up back in soil after time and many end-up in the oceans so becoming economically inaccessible for humans for centuries. At a local scale, it is almost inconceivable that the nutrient resource extracted from soil in Brazil or Ukraine will be returned through the circulation of the materials grown there. Another issue is the spatial distribution of people, and their demand for particular ecosystem services, which typically does not match the spatial distribution of the biosphere's capacity to supply those services. This raises the question of whether defining 'circular bioeconomy' without considering geography and scale is meaningful?

Another important question for circular bioeconomy is how long does something remain as a biomaterial? Coal is not regarded as a biomaterial despite being of biological origin. If a similar question is asked about lactic acid from biorefined waste streams e.g., whey permeate), the first time the plastic is used it is a bioeconomy product. If it is reused with minimal processing or energy input, presumably it remains a bioeconomy product, but if it is reprocessed following recycling to make a component of another object, does it still count as a part of the bioeconomy? It would certainly be part of the circular economy, so should be part of a circular bioeconomy. This raises the question, how much 'bio' is needed for something to be part of the bioeconomy (e.g., EuropeanBioplastis, 2016) and how distant from its biological origin does it have to travel to cease to be part of it? Measurements of the bioeconomy typically rely on economic metrics that approximate the share of "bio" in a particular sector in relation to its overall value or simply discount those economic areas deemed not "bio" enough (Ronzon et al., 2017; Wesseler and von Braun, 2017). Designing better metrics and indicators of bioeconomic growth and success are called for that are more economically precise but also broader than conventional economic value (El-Chickakli et al., 2016).

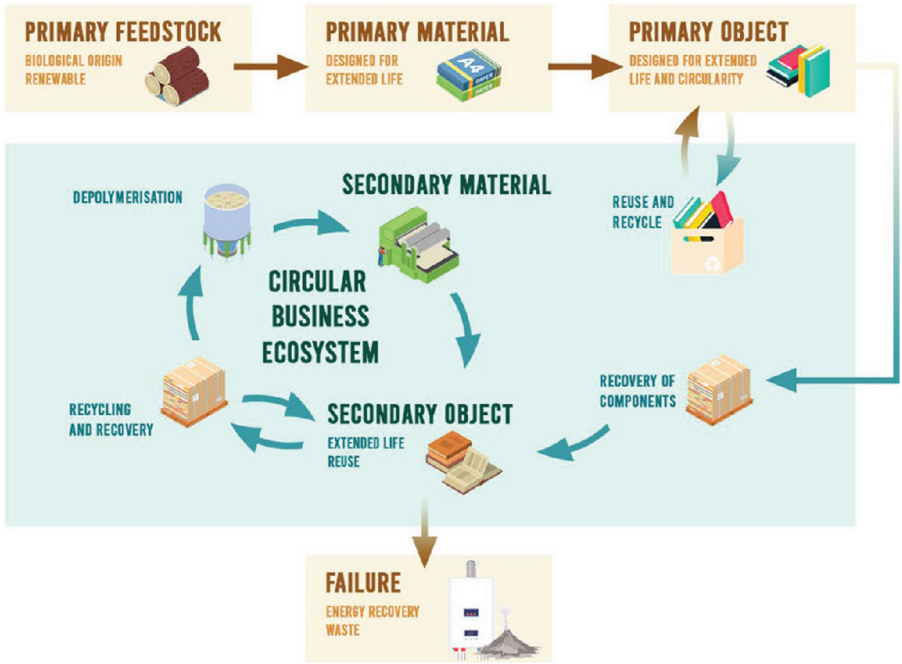

Figure 14.4 The Biocircularity Framework for evaluating whether a product of the circular bioeconomy is likely to be contributing to transition to a sustainable status. Source Holden et al. (2022).

14.2 Biocircularity: A Framework to Evaluate a Circular Bioeconomy Product

Biocircularity was developed as an unambiguous means of evaluating whether a circular bioeconomy system that creates materials and products is likely to offer the theoretical benefits of reduced environmental impact (circular economy) and decarbonisation (bioeconomy) (Holden et al., 2022). There are six attributes that are considered during the evaluation; their relationship is described in Figure 14.4. At present only five can be classified or quantified, and in practice it is currently not possible to use the framework as a yardstick or test of contribution to sustainable status, but even if it is used in a qualitative manner, the framing is still potentially useful for helping stakeholders evaluate and gain confidence in circular bioeconomy products. Each attribute of biocircularity will be considered in turn below.

1. **The primary feedstock**. This is the raw material that is used to create the primary material and products the system delivers. In conventional

economy over the last century or more, oil has been one of the most important feedstocks, along with a wide array of minerals. For a product to be the output of a sustainable circular bioeconomy, the feedstock must be of biological origin, thus the carbon is biogenic. It is possible that the energy used to support the growth of the feedstock will rely on fossil carbon, but the feedstock resource should be biological. The criterion of having been alive can be used to classify feedstocks.

2. **Renewability**. The feedstock should be renewable, meaning it can be harvested and regrow, year after year. Agricultural crops are often considered renewable because they can be grown over-and-over, again. This is typically true for short periods, perhaps measured in decades, but it is not unending. To ensure feedstock is genuinely renewable, the *ideal* would be to utilise a feedstock that does not deplete natural capital when it is grown. This means the resource is not produced at the expense of other ecosystem attributes such as biodiversity, soil health, water processing, environmental buffering and so on. There are many environmental metrics and natural capital accounting methods that can be used to quantify this attribute.

3. **Primary materials made for extended life**. The primary material created from the feedstock should be designed for longevity rather than decomposition, and its processes should, as far as possible, be driven by renewable energy. While much research has focused on biodegradable biomaterials (e.g., packaging materials), this is contrary to the goal of circular economy and will drive pressure on primary feedstocks. Biomaterials need to be designed for longevity in order to decouple use from production of primary feedstocks. The more this is decoupled, the more likely it is that feedstocks can be grown renewably, i.e., not at the expense of depleting natural capital. There are several resource use efficiency metrics that can be used at the feedstock/material scale (Lokesh et al., 2020) and the corporate scale (Bergmann et al., 2017) to quantify this attribute.

4. **Objects (useful product) designed for extended life and circularity**. An object designed for longevity, repurposing, reuse, subsequent material recovery and ultimately circulation of the material and its components (monomers, polymers, composites) will provide the maximum decoupling of impact and use. Manufacture and distribution using renewable energy should be prioritised. While there are methods such as “design for sustainability” (e.g., Ceschin and Gaziulusoy, 2016) and

mass and energy flow accounting methods (Kullmann et al., 2021), these will need to be coupled with repairability (Alarcón et al., 2021) and recyclability (Villalba et al., 2002) indexes to quantify this attribute if a circular bioeconomy product.

5. **Circular business ecosystem.** The current arrangement, or system, of businesses, service providers, retailer and consumers has developed in response to the take-make-use-waste linear economy, the success of which relies on growth (i.e., ever more sales, causing ever more impact in the world). There is very little understanding of what a circular business ecosystem should look like, and how to accelerate the transition towards such system. For instance, the plastic recycling scheme recently introduced in Ireland (The ReTurn Scheme) appears on the face-of-it to be a well organised arrangement to encourage circulation of plastics (https://re-turn.ie/). However, in the context of circular bioeconomy (and even just circular economy) it is not clear whether the business ecosystem required exists. Firstly, there is no separation of biobased and fossil carbon plastics. This is not critical, unless the quality of plastic determines its circulation pathway. Secondly, there is a very limited market for the recovered plastic (EPA, 2025). It remains unclear where recovered plastic is processed, but recent Circular Gap report suggests very little circulates (https://dashboard.circularity-gap.world/report/ireland/overview). As with other attributes in the framework, the business ecosystem should maximise utilisation of renewable energy. It is theoretically possible to quantify the interconnectedness and circulation of material through the business ecosystem, but an agreed metric for this attribute remains elusive.

6. **Avoid the failure of end of life**. For a circular economy to be successful, materials, components and products must remain in circulation in the Technosphere for as long as possible. In addition, suitable resources to drive a regenerative cycle through the soil also have to be utilised. The landfilling and incineration of materials should be avoided for as long as possible to maximise decoupling of impact and use. It is possible to record all biobased materials that end up in landfill or being incinerated, so this attribute is theoretically quantifiable.

14.3 Potential Role for the Biocircularity Framework

The biocircularity framework was developed for two purposes, both initially somewhat remote from the consumer, but both play an important role in bringing

biobased products to the market and making them available to consumers. Both purposes need to be recognised before addressing consumer issues.

The original context of biocircularity was researchers in the BiOrbioc Bioeconomy Research Ireland Centre having very different understanding of bioeconomy and circular economy (which reflects a similar lack of knowledge and collective understanding in wider society). Points-of-view ranged for thinking that any use of biomass was going to help make the world "more sustainable" to a view that the processing of fossil resources using biological methods should fall under the umbrella of bioeconomy. The (probably manufactured) uncertainty about the meaning of the word "sustainable", lack of thought about what bioeconomy really is, and simply not thinking about scientific niches in the context of wider society was causing misunderstanding, lack of coherent ethos and potentially contradictory messaging. The framework was designed to provide a coherent concept that could be the focus for conversation and debate (not necessarily agreement). As noted by Virgolino and Holden (2026), because of its relative youth, bioeconomy is very dependent on early-stage researchers for its innovations and developments, so some progress towards a coherent understanding by researchers was regarded as essential if the value of their work was to be conveyed to, and understood by, consumers.

The second context that emerged was to provide funders (of research) and investors (in commercial ventures) with a means of assessing claims made about research proposals and investment opportunities. Any research or commercial innovation that uses bioresources as the feedstock, whether that be precision bioreactors, novel plastics, biomolecule prospecting, food waste utilisation and so on, has tended to be placed in the context of global, regional and national sustainability-related policies. Many claims have been made about novel technologies that will be "more sustainable" and the potential for market transformation (Talwar and Holden, 2022). What became apparent to BiOrbic Bioeconomy Centre researchers was the lack of any framework against which such claims could be tested. There are examples of frameworks that address related questions, such as the addition of Sustainability Level (Vinnova, 2019) (Figure 14.5) to the Innovation Readiness Framework (https://kthinnovationreadinesslevel.com/). However, this welcome addition does not provide metrics and measures that can be used for quantitative assessment. Questions about contribution to real-world impacts, and frameworks such as the sustainable development goals require an additional consideration such as biocircularity. It should be clear from the context above, that the biocircularity framework offers a means of supporting new product design. If research funders and investors have a means to prioritise how money is used



Figure 14.5 The sutstainabiliy readiness lever framework that can be used by investors to assess sustainabililty contribution of a new venture. Source VINNAVO SISP(CC BY).

to support new commercial ventures, then innovators and entrepreneurs will have a motivation to design new products that benefit from, and drive, circular bioeconomy. The motivation to develop not only new, better products, but also the business ecosystems necessary to benefit from biocircular design could be a significant driver of economic activity, that compensates for the potential consequences of reducing demand driven economic growth. If circular bioeconomy products emerge from research and innovation is financially encouraged to consider biocircularity, consumers will be able to make better decisions with confidence.

From a consumer perspective, the biocircularity framework has the potential to provide a basis for protection against greenwash. There is little public understanding of what circular bioeconomy means, and the implications of the phrase when attached to a product. Associating a product with the bioeconomy (implying the use of biogenic carbon rather than fossil carbon) and with circular economy (implying decoupling of impact from consumption) has little meaning unless the consumer is aware of what the concepts mean and how they can be measured. There are three aspects of the framework that are particularly important for consumers to get to grips with. The first aspect, the biobased feedstock, ensuring biogenic carbon in products is a technical concept that does not necessarily have to be understood but should be verifiable.

The second concept, the renewability of the feedstock, which probably means little to the average consumer, is however critical for consumer confidence. Taking plastic use in the European Union as an extreme hypothetical example, it is easy to illustrate why the renewability criterion is so important. Using public data, the European Union consumed 56.5 million tonnes of plastic in 2020. On average, about 0.5 ha is required to grow the biomass needed to produce 1 t bioplastic. This means the European Union would require an area of 1.13 million km^2 to produce 1 year's demand for plastic, or an area the size of Scandinavia (Figure 14.6A). If an area of that size was managed for biomass feedstock (e.g., tree plantations) and then depleted of biomass in a short period of time, the consequences for ecosystem services and functions could be devastating (Power 2010). A further simple calculation, assuming it takes 60 years for a tree to regrow to be harvested, suggests the European Union would require 67.8M km^2 to produce the plastic it demands on an ongoing basis. Thus 5.6% of the world's population would require 45% of terrestrial land area of earth (Figure 14.6B) to satisfy its demand for plastic using biogenic carbon in bioplastics. Clearly such a widespread management of biomass just for plastic, or even if land and biomass were shared with food, would not be ecologically feasible. The natural capital impacts would probably lead to system collapse (Bradley et al., 2026). The biocircularity framing provides valuable insights to this problem.

The third concept, the circular business ecosystem is essential. While design for circularity is necessary, if the technical system is not available to *actually* circulate materials and objects, then the circular system cannot function. There is an urgent need to help consumers by ensuring real meaning for the words used to describe products. A descriptor such as "organic" have a clear meaning that is regulated and well understood. A descriptor such as "sustainable" has no clear meaning and is not widely understood (Partidario et al., 2010). If consumers are to have understanding of, and

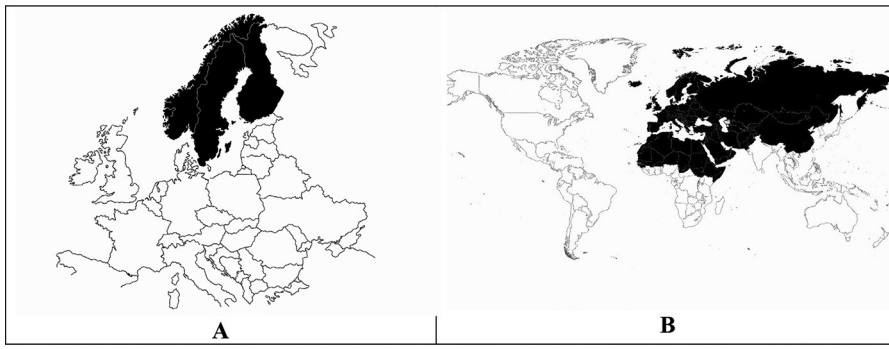

Figure 14.6 A. The area of the European Union that would need to be harvested of all biomass to satisfy demand for plastic for 1 year, were all plastics consumed to be made from biobased carbon. B. The area of the world the European Union would require to maintain supply of biomass to meet an ongoing demand for bioplastic assuming tree regrowth over 60 years. Source: drawn by ChatGPT with instructions from the author.

belief in, circular bioeconomy products, efforts must be made to clearly define and measure attributes of such products that relate to the intensions of bioeconomy and circular economy. It follows, that if a product can be reliably assessed against the biocircularity framework (whether as a formal ecolabel or some other way), this will help consumers make product selection choices that are good for the environment. If funders and investors can prioritise the financial support of bicircular designed products, and consumers can identify such products, then good choices have more chance of becoming the norm, and the simple framing will then emphasise and drive best practice across the plethora of product categories serving the European single market.

14.4 Conclusion

In conclusions, a final consideration is the implications of the biocircularity framework for the indicators used to measure progress towards the UN Sustainable Development Goals (SDG). This is important because the SDGs are globally recognised and accepted, so provide a route to impact and consumer acceptance. The most obvious examples are summarised in Table 14.1 (others are detailed in Holden et al., 2022). The framework has significant potential to drive reduced material footprint, reduced consumption (both related to decoupling), reduced food loss, greater recycling rates, framing education, reduced GHG emissions, and better management of ecosystems

Table 14.1 Summary of the implications of biocircularity for relevant SDG indicators.

Indicator	Indicator descriptor	Implication of biocircularity
8.4.1.	Material footprint, material footprint per capita, and material footprint per GDP	Circularity reduced material footprint. Consumers make better choices.
8.4.2.	Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	Raw material consumption reduced due to decoupling. Consumers make better choices.
12.2.1	Material footprint, material footprint per capita, and material footprint per GDP	
12.2.2	Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	
12.3.1	(a) Food loss index and (b) food waste index	Sustainably produced food waste circulated into products
12.5.1	National recycling rate, tons of material recycled	Circular business ecosystem drives recycling
12.8.1	Extent to which (i) global citizenship education and (ii) education for sustainable development are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment	Provides a framework and basis for strong sustainability education
13.2.2	Total greenhouse gas emissions per year	Impact reduced due to decoupling and biogenic carbon
15.1.2	Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type	Renewability criterion drives attention towards natural capital
15.4.1	Coverage by protected areas of important sites for mountain biodiversity	
15.4.2	(a) Mountain Green Cover Index and (b) proportion of degraded mountain land	
15.6.1	Number of countries that have adopted legislative, administrative and policy frameworks to ensure fair and equitable sharing of benefits	Quantifiable means of assessing policy and legislation

and natural resources. Most importantly, the biocircularity framework is founded on strong sustainability thinking (Ang et al., 2012), rather than the weak sustainability, techno-solutionism that predominates global responses to water, climate, and biodiversity crises. The framework is a way to start thinking about how to offer consumers products and businesses systems that actually make a difference.

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15

Measuring Circular Performance: A Composite Index for Organizational Sustainability

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Abstract

The transition to a circular economy requires reliable tools to assess organizational performance. This chapter develops a Circular Performance Index (CPI) that integrates financial, operational, environmental, and social indicators into a single metric. Indicators are normalized and aggregated using multi-criteria methods, with weights derived from the Analytic Hierarchy Process. A case study in the energy equipment manufacturing sector demonstrates CPI's practical application. Robustness is evaluated through sensitivity analysis at both dimension and indicator levels. Results indicate that the CPI remains stable under reasonable perturbations, with explicit procedures for missing data and uncertainty propagation further supporting its reliability. This stability supports its use for benchmarking, and strategic decision-making.

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15.1 Introduction

The circular economy (CE) has become a core paradigm in sustainability policy and corporate strategy, particularly in the European Union (Kirchherr et al., 2017; Oliveira et al., 2021). This prominence arises because CE promotes waste minimization and value retention. Consequently, CE models seek to decouple economic growth from environmental degradation (Russell & Nasr, 2023).

Despite broad conceptual acceptance, organizations struggle to operationalize circular strategies. This difficulty is amplified by the lack of consistent and decision-relevant measures of circular performance. Existing circularity metrics mainly target material flows or environmental impacts (Linder et al., 2017; Luthin et al., 2024). Consequently, financial viability and social implications are frequently overlooked. This fragmentation prevents managers and policymakers from conducting trade-off analyses and setting strategic priorities.

Composite indicators offer a potential solution because they aggregate heterogeneous dimensions into a single interpretable measure (Zambujal-Oliveira & Amaral, 2023; Greco et al., 2019). However, this aggregation introduces methodological challenges. These challenges concern indicator selection, normalization, weighting, and robustness.

This chapter addresses these limitations by proposing a Circular Performance Index (CPI), which captures the multidimensional nature of circular performance. The contribution is threefold. First, the chapter develops a replicable framework for CPI construction. Second, it provides a worked numerical case study illustrating the computation process. Third, it assesses CPI robustness through sensitivity analysis. Therefore, the following research questions are formulated:

RQ1: How can circular performance be defined as a multidimensional concept integrating financial, operational, environmental, and social dimensions, going beyond mainly material- or environment-focused metrics?

RQ2: How applicable and useful is the proposed CPI for real-world organizational decisionmaking, as shown through its application to a medium-sized energy equipment manufacturer implementing circular practices such as recycled materials and product take-back schemes?

15.2 Conceptual Framework

Circular performance is conceptualized as a multidimensional construct encompassing four core dimensions: financial, operational, environmental,

and social performance (Ghisellini et al., 2016; Esposito et al., 2024). These dimensions reflect the economic feasibility of circular initiatives, the efficiency of resource use and processes, the environmental outcomes of circular practices, and their social implications for employees and stakeholders.

Let $D = \{F,O,E,S\}$ denote the set of dimensions. Each dimension $d \in D$ is represented by a set of key performance indicators K_d. Indicators are selected based on relevance to circular economy principles, data availability, and interpretability for decision-makers. This structure allows both aggregated assessment and disaggregated analysis at the dimension and indicator levels.

15.3 Methodology

15.3.1 Indicator normalization

Given the heterogeneous nature of indicators, normalization is required to ensure comparability. All indicators are transformed to the unit interval [0,1] using min–max normalization. For benefit-type indicators, higher values indicate better performance and normalization is given by

$$z_{ij} = \frac{x_{ij} - \min\left(x_j\right)}{\max\left(x_j\right) - \min\left(x_j\right)}, \tag{1}$$

where x_{ij} denotes the observed value of indicator j for the organization under analysis. For cost-type indicators, where lower values are preferred, the transformation is reversed.

15.3.2 Weighting scheme and aggregation

Weights are assigned at two levels: within each dimension and across dimensions. In this study, weights are derived using the Analytic Hierarchy Process (AHP), based on expert judgment regarding the relative importance of dimensions and indicators (Bocken et al., 2016; Zambujal-Oliveira et al., 2025). Let w_{dj} denote the weight of indicator j within dimension d, and let W_d denote the weight of dimension d, with $\sum_d W_d = 1$. The sub-index for each dimension is computed as a weighted sum of normalized indicators:

$$CPI_d = \sum_{j \in K_d} w_{dj} z_{dj}. \tag{2}$$

The overall Circular Performance Index is then obtained by aggregating dimension sub-indices:

$$CPI = \sum_{d \in D} W_d \cdot CPI_d . \tag{3}$$

This aggregation and weighting scheme is consistent with recent composite index frameworks that integrate MCDA and entropy-based weighting to improve structural robustness (Boubaker et al., 2024; Del-Rosal-Salido et al., 2025).

15.3.2.1 Missing data treatment

Composite indicators are sensitive to incomplete datasets, particularly in sustainability assessments where circular procedures and social data may be inconsistently estimated or subject to measurement errors (Burgass et al., 2017; Mazziotta & Pareto, 2017). Missing values are managed according to the following guidelines for composite indicators (OECD, 2008):

1. **Case deletion**: Applied pairwise when missingness is negligible (< 5%) and does not introduce systematic bias.
2. **Single imputation**: Used for moderate missingness, employing mean or median imputation within comparable organizations' historical data.
3. **Multiple imputation**: Preferred for higher missingness (> 10%), generating multiple datasets (10–20 imputations) via predictive mean matching.

In the present case study, the dataset is nearly complete, with no relevant missing values. Nevertheless, these procedures ensure that the framework remains applicable to other real-world datasets.

15.3.2.2 Uncertainty propagation

Uncertainty stems from measurement errors (e.g., self-reported social metrics), expert-derived AHP weights, and data collection inconsistencies. Typically, following Couto et al. (2013) this uncertainty is quantified as follows:

- A Monte Carlo simulation is performed (10,000 iterations).
- Normalized indicator values are perturbed using uniform distributions based on uncertainty bounds (±10–20%).
- Sub-indicator weights are perturbed using beta distributions to preserve summation constraints.

Table 15.1 Key performance indicators. Benefit indicators are maximized and cost indicators are minimized.

Dimension	Indicator	Type	Value
Financial	Circular revenue share (%)	Benefit	32
Financial	ROI of circular projects (%)	Benefit	14
Operational	Material circularity rate (%)	Benefit	45
Operational	Energy intensity (MWh/unit)	Cost	0.82
Environmental	CO_2 reduction (%)	Benefit	28
Environmental	Waste to landfill (%)	Cost	12
Social	Training hours per employee	Benefit	24
Social	Accident rate	Cost	3.1

- The resulting distribution of CPI values yields probabilistic summaries: point estimate (median), 95% credible intervals, and probability density functions.

This uncertainty analysis complements the sensitivity tests by capturing joint effects and enabling probabilistic interpretation. When data quality is low, wider bounds are assigned, and results are reported with credibility intervals.

15.3.3 Case description

The CPI is applied to a medium-sized manufacturing firm in the energy-equipment sector. The firm has adopted circular practices, including recycled material use, product take-back schemes, and energy-efficiency investments. These initiatives generate financial and sustainability outcomes that can be assessed through the CPI. The analysis relies on data assumed to reflect publicly disclosed financial and sustainability information (Dey et al., 2022). Table 15.1 summarizes the observed performance indicators for the case study. Financial results indicate a moderate contribution of circular activities, with circular revenues accounting for 32% and a positive ROI of 14%. Operationally, the material circularity rate is substantial, although energy intensity remains non-negligible. Environmental indicators show meaningful CO_2 reductions, but residual waste to landfill persists. Social performance is generally favorable, supported by consistent training efforts and a relatively low accident rate.

The case study uses publicly available secondary data from official statistics and organizational reports. Data was selected for consistency and reliability. No personal or confidential data are involved. All information complies with applicable data protection regulations and the construction of the CPI is carried out in accordance with the methodological choices documented in this section.

Table 15.2 Sensitivity of the CPI to dimension weight variations

Scenario	CPI
Baseline	0.64
Environmental emphasis	0.66
Financial emphasis	0.63
Equal weights	0.62

15.4 Results

Indicators are first normalized and aggregated using equal weights within each dimension. This procedure yields sub-indices of $CPI_F = 0.64$, $CPI_O = 0.58$, $CPI_E = 0.71$, and $CPI_S = 0.55$. Dimension weights are then assigned, leading to an overall CPI of 0.64. Robustness is examined by perturbing dimension weights by ±20%, with proportional adjustments to the remaining weights. This sensitivity analysis considers environmental emphasis, financial emphasis, and equal weighting scenarios (Ahlroth et al., 2011; Bottero et al., 2024).

Results indicate limited variation in the CPI, suggesting robustness to reasonable changes in strategic priorities. A second analysis evaluates the influence of individual indicators. Each normalized indicator is independently perturbed by ±10%, holding all others constant. The maximum observed deviation in the CPI is ±0.03, indicating that no single indicator dominates the composite index.

15.4.1 Sensitivity analysis

The CPI's robustness is assessed through multiple layers. First, dimension weights are perturbed by ±20% (with proportional adjustment of remaining weights) to simulate shifts in strategic priorities. Second, each normalized indicator is independently perturbed by ±10%. Maximum deviation in the CPI remains below ±0.03, indicating no single input dominates the result.

To further address data limitations, a Monte Carlo-based uncertainty propagation was conducted. Assuming triangular distributions with ±15% bounds on all indicators and ±10% bounds on weights, 5,000 iterations yield a CPI distribution centered at 0.64 with a 95% interval of [0.59,0.69]. This limited spread confirms robustness under realistic uncertainties.

15.5 Discussion

The case study demonstrates the usefulness of the CPI as a decision-support tool. Strong environmental performance offsets weaker social outcomes,

thereby revealing cross dimensional trade-offs (Corvellec et al., 2022). Sensitivity analysis shows that results are not driven by specific modeling assumptions, which enhances analytical credibility. The CPI therefore reflects a balanced circular performance profile, with environmental initiatives as the main strength.

Limited sensitivity to dimension weight changes implies that strategic reorientation does not materially affect overall performance (Abdi & Labib, 2003; Bottero et al., 2024). This robustness grants managers flexibility to adapt priorities to regulatory or market conditions. Indicatorlevel analysis indicates that isolated interventions are insufficient. Consequently, coordinated actions across financial, operational, environmental, and social dimensions are more likely to sustain improvements in circular performance.

The CPI also has implications beyond internal managerial decision-making. By consolidating circular-economy performance into a transparent metric, CPI results can reduce information asymmetry between organizations and consumers, strengthening consumer trust. The public disclosure of CPI scores may enhance transparency regarding firms' environmental responsibility, supporting informed and fair consumption choices. Furthermore, comparability across organizations enables consumers to identify circular practices and reinforcing fairness in sustainable markets.

15.6 Conclusion

This chapter proposed a multidimensional Circular Performance Index and demonstrated its practical application through a numerical case study. Sensitivity analysis confirms the robustness of the index to weighting and indicator perturbations. The CPI provides a flexible and transparent framework for benchmarking circular performance across firms and sectors. This study contributes to the circular economy perspective by demonstrating that composite circularity metrics can serve not only organizational assessment purposes but also broader societal objectives.

When CPI results are communicated in an accessible manner, they can function as trust building signals that empower consumers and promote fair consumption practices aligned with circular-economy principles. In this sense, the CPI makes sustainability performance understandable for all stakeholders, including non-expert audiences.

15.6.1 Limitations and future research

This study has several limitations. The empirical validation of the proposed Circular Performance Index (CPI) is based on a single-case study of

a medium-sized firm in the energy equipment manufacturing sector, which limits the statistical generalizability of the results. The findings are therefore analytically generalizable, demonstrating the managerial relevance of the CPI rather than providing transferable benchmarks.

Differences in firm size, sectoral characteristics, and circular maturity may affect the relative importance of CPI dimensions, leading to different results in other contexts. Further validation through multiple-case and cross-sector studies is required to assess the framework's robustness and broader applicability.

While the single-case study limits statistical generalizability, the framework incorporates explicit strategies for missing data and input uncertainty (via Monte Carlo propagation), thereby mitigating bias from data, common in circular economy reporting.

Future research may extend the CPI framework toward product-level or consumer-facing indicators, enabling the translation of organizational circular performance into dashboards usable by consumers. Such extensions could integrate life-cycle-based product metrics or consumer relevant dimensions (e.g. recyclability).

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TOWARDS CONSUMER-CENTRIC CIRCULAR FUTURES

ENABLING SYSTEMS, UNDERSTANDING BEHAVIOUR AND CREATING SUSTAINABLE SOLUTIONS

Editors:
Olesea Plotnic
Maria Menshikova

What does it take to build a circular economy that truly works for consumers, businesses, and society?

Towards Consumer-Centric Circular Futures explores the systems, behaviors, policies, and practical solutions needed to turn circular economy ambitions into meaningful action. Developed from the research, collaboration, and knowledge exchange of **ECO4ALL – EU Circular Economy Network for All: Consumer Protection through Reducing, Reusing, Repairing (COST Action CA22124)**, this international and interdisciplinary volume brings together scholars from across countries and fields to examine circularity as a shared societal transformation.

At the heart of the book is a critical insight: consumers cannot drive the circular transition alone. Their choices are shaped by the products, markets, policies, institutions, and communities around them. Making reducing, reusing, repairing, and recycling part of everyday life therefore requires systems that make circular choices practical, accessible, transparent, and trustworthy.

Across fifteen chapters, the book examines the transition from three interconnected perspectives. It first considers the policies, institutions, local governments, and stakeholder collaborations needed to enable consumer-centric circular systems. It then explores the human dimension, including cultural values, perceptions, trust, entrepreneurship, and greenwashing and their influence on consumer behavior. Finally, it turns to practical solutions, examining product longevity, reuse, repairability, modularity, recyclability, the circular bioeconomy, and methods for measuring circular performance.

Combining comparative analysis, empirical studies, case-based research, and conceptual perspectives, **Towards Consumer-Centric Circular Futures** provides a comprehensive framework for creating circular economies that balance environmental sustainability with economic viability, consumer protection, and social value.

The book is an essential resource for researchers and academics, policymakers, public institutions, managers, entrepreneurs, designers, and sustainability professionals seeking to move the circular economy from aspiration to everyday reality.

ISBN 978-87-438-1647-8



River Publishers