

JUST2CE

A Just Transition to Circular Economy



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CHAPTER 4

Conditions and constraints for a just transition: definition and role of the social and justice dimension

Chapter 4. Conditions and constraints for a just transition: definition and role of the social and justice dimension

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Abstract

This article shall highlight issues around social justice dimensions around the transition to a CE. Several organizations and institutions provide their own definitions for social justice and a few will be discussed in this abstract. The Department of Economic and Social Affairs (DESA): Division for Social Policy and Development Social Justice under the United Nations in 2006 defined Social Justice as “the fair and compassionate distribution of the fruits of economic growth.” The National Association of Social workers (NASW) in the United States of America in 2018 defined Social Justice as “the view that everyone deserves equal economic, political and social rights and opportunities”. The social justice dimension has a big role for the achievement of a just transition to CE. There is

need to explore social protection measures alongside policies to close material loops, provide support to develop national just transition plans, design and coordinate reskilling programmes and promote measures to ensure decent work. Enhanced citizen and stakeholder engagement is a way of introducing justice and equity dimensions in CE transitions and increasing social legitimacy.

Keywords: Circular economy, Social justice, Social dimension, Equity, Human rights

Some of the most important issues to consider in the transition to CE have a social dimension and if not explored the transition will be unfair. This is because some of the social justice issues involved in transitioning to CE have roots in existing inequalities and these must be explored so that they will not be exacerbated by the transition.

4.1 Introduction

CE models aim to reduce waste, reuse resources, and regenerate natural systems, creating a more sustainable; resilient way of producing, consuming goods and services. According to EU, the CE is a consumption and production model involving “sharing, leasing, reusing, repairing, refurbishing and recycling existing material and products as long as possible to extend the life cycle of the products (European Parliament, 2021). Ghisellini and Ulgiati (2020) claim that transition to CE is increasingly concerned with the need for achieving a sustainable development path in a world where population is expected to reach 9 billion people by 2050 (UNEP, 2018). More

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often than not, CE is considered as one of the solutions to the global environmental problems (Cristoni and Tonelli, 2018; Lieder and Rashid, 2016) than social problems. In support, Mies and Gold (2021), reported that the predominant focus of most circular economy-related approaches is, however, within the environmental and economic dimension, whereas social aspects, such as labour practices, human rights or community well-being, have only been peripherally and sporadically integrated into the circular economy concept. The question is how circular economy models can also promote social justice and inclusion, ensuring that no one is left behind or exploited in the transition to a CE.

Inclusiveness and social justice are fundamental issues that need to be addressed for a successful CE transition to achieve positive social-ecological outcomes. In order for a CE to deliver on essential goals like improved health, decent working conditions, reduced inequality; there is need to address the human and social dimensions of the transition. Social justice hinges on equality, equity, diversity, fairness, and human rights. The process promotes, supports, and ensures equal opportunities for all, irrespective of their social identities and context. Agyeman (2008), argues that sustainability discourse and practice usually leave out inequity and injustice, racism and classism and calls for “just sustainability”.

It is pleasing to note that the prerequisite to address social issues in circular economy transitions, alongside environmental concerns and building the circular business case, is receiving more attention in the mainstream approaches and this chapter is going to be looking at the conditions and constraints for a just transition. University of Maine (2022), claim that, without consideration for the social dimension, such as what role labor plays in the system or ensuring inclusive representation in decision-making processes, the circular economy may not be as beneficial as its proponents claim it to be. This means there should be fairness and equal opportunities along all value chains of product development. All the pillars and principles of circular economy should be framed in the spirit of social justice. To achieve social justice in circular economy, there is need for just transition.

4.2 Social justice dimensions

4.2.1 Definitions

Conceptualizing the social justice concept requires unpacking the different meanings it has to people in different contexts (Sleeter 2014). In fact, social justice has been described as a vague concept that, while widely used, is under-theorized (Cochran-Smith 2010; North 2008). Scholars suggest that the varying understandings may be somewhat a reflection of how the concept of social justice is itself historically and politically constituted and used across a number of disciplines, which makes definitive meaning-making almost impossible. Shriberg and Clinton 2016, suggest that different cultural, contextual and situational aspects play into how social justice is understood in different societies; therefore, views of social justice are likely deeply rooted in the collective experience of those in a particular society. According to ILO, (2022), a post-carbon transition is just if it is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind, i.e. if it maximizes social and economic opportunities.

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Classic political thought on justice includes John Rawls' theory of justice, which argues that our behaviour is influenced by the institutions we create, and Nancy Fraser's three dimensions of social justice: Redistribution (of resources), Recognition (of marginalized groups) and Participation (of individuals and groups). Following these,

many scholars have advocated that a just transition should amount to procedural, distributive and restorative justice (Newell & Mulvaney, 2013; McCauley & Heffron, 2018; Stevis & Felli, 2020). These developments reflect the gradual broadening of social justice as a practical ideal, now encompassing a number of themes and issues beyond basic rights and economic equality. In general, terms, social justice might be understood as a society that values fairness and equity for all individuals and social groups in all areas of life; that recognizes and respects differing ethnic, cultural, gender, and other identities among citizens; and, most importantly, that affords a dignified and fulfilling existence for all individuals.

4.2.2 Categories of social justice

University of Maine researchers (2022), divided justice definitions into four sub-categories:

- Neoliberal justice, which is achieved through individual actions and the free market;
- Procedural justice, which gives representation to all parties who have stake in the outcome of a decision-making process;
- Distributive justice, which centres on the fair distribution of benefits and harms; and
- Compensatory justice, which compensates communities that have been historically disadvantaged.

4.3 Role of social justice dimension

Justice, in terms of its scope, is not only a matter that addresses collectively public and social matters, which can be changed or altered, such as poverty and the sociopolitical marginalization of people. It also takes into consideration the well-being of individuals whether they are poor, marginalized, assaulted, or socially excluded (Vazquez-Brust & Campos, 2023). In circular global chains, the destruction of jobs and the creation of jobs may happen in different regions, even different countries, hampering traditional forms of redistribution and exacerbating geographical inequalities. This is common if one compares the benefits and challenges of value chains that involves GN and GS. As an example, in developed economies, Global Value Chains (GVCs) provide access to more competitively priced inputs, higher variety, and the economies of scale. For emerging economies GVCs are viewed as a fast track to industrialization. (Baldwin and Lopez-Gonzalez, 2013) cited in Raei et al., 2021.

Therefore, CE models need to be accompanied by social innovation, which is the process of developing and implementing new ideas that address social needs and challenges. Social innovation can help to design and deliver CE models that are more inclusive, participatory, and responsive to the needs and preferences of different groups and contexts. For example, social innovation can involve co-creating solutions with the users and beneficiaries of CE models, such as through participatory design, user feedback, or community ownership. Social innovation can

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also involve developing new business models, policies, or institutions that support and enable CE models, such as through social enterprises, cooperatives, or public-private partnerships. Social innovation can also involve creating new networks, platforms, or movements that advocate and mobilize for circular economy models, such as through campaigns and coalitions. According to Warren et al., (2020), corporate social innovations are designed to benefit firms and society. Through SI, citizens with reduced available resources (food, energy, water, and fabricated products) can develop innovative opportunities to satisfy their needs efficiently, achieve social and environmental goals and benefit from new capabilities, improved autonomy and self-reliance (Dodman et al., 2017; Manzini, 2015 as cited in Marchesi & Tweed, 2021).

Vazquez-Brust, D & Campos, I.S (2023) argue that integration of the social dimension in circular business models and projects does not come so naturally in a developed world context, which may explain the 'social gaps' in CE literature that mainly originates in western policy and academic circles. According to Corporate Finance Institute (CFI, 2023) Principles of social justice may include five main principles of social justice that are paramount to understanding the concept better: access to resources, equity, participation, diversity, and human rights.

4.3.1 Access

Equal access to social goods is one of the most fundamental principles of social justice. This holds that society's resources should be equally available to all. Social justice refers to the extent to which different socioeconomic groups receive equal access to give everyone an equal start in life. For example, many social justice theorists believe that people should have equal access to education, health care, and employment opportunities. Public servants can uphold this principle by ensuring that everyone has access to these resources. CFI (2023) postulates that equal access gives everyone an equal start in life. In a globally inclusive circular economy, jobs are decent, accessible and attractive to workers everywhere. However, this is not the case. Several small companies are involved in lower level of waste valorisation such cleaning and shredding of plastic waste in Africa, while advanced and valuable valorisation is carried out in developed countries, meaning an imbalance between the GN and GS. Where there is equal access, , just like in high-income countries, circular jobs in lower-income countries provide similar levels of security, safe working conditions and meaningful development and are equally valued across societies.

4.3.2 Equity

Equity is the principle that people should have the same opportunities to succeed, despite any past injustices or systemic discrimination. According to CFI, equity refers to how individuals are given tools specific to their needs and socioeconomic status in order to move towards similar outcomes. There should be equal opportunity irrespective of gender, the status of people in society, and whether they are living with a disability or not. There should be no discrimination of women from high-paying positions of the circular economy value chain. This may mean that resources are distributed in a way that addresses the specific needs of underprivileged communities or people; and the importance of equity resides, among other aspects, in improving human rights and social justice. This reflects the connectedness of the concept of social equity within interpretation of sustainable development aimed at satisfying the needs of present as well as future generations. Kent State online added that to achieve

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social justice and ensure equal opportunities for success, it is important to provide equitable resources that focus on the specific needs of communities and the individuals within them. However, some scholars felt that there are some gaps in the literature on how CE promotes equity. Thus, it is necessary to create the tools and mechanisms that can adequately and accurately integrate the concept of social equity within CE discourse to progress in different directions, in this regard, further work is necessary in this area (Padilla-Rivera et al., 2020). On the one hand, Zhijun and Nailing suggest that the CE can incentivize economic and social growth, and that the implementation of the CE in certain areas has been associated with an important raise in GDP. They advocate the idea that GDP increment can be employed as an indicator for social equity. According to the European economic and social committee, 2016, if resource efficiency were to be improved by 30%, possible savings could exceed EUR 600 billion annually, thereby providing a competitive boost to European industry.

But Van Den Bergh, 2008 (as cited by Ghisellini & Ulgiati, 2020) argues that GDP is not sufficient for improving social equity. Therefore, as earlier indicated by Moreau et al. (2017), it seems that there is no agreement or conclusive knowledge about how CE could support the promotion of social equity. As a result, agreeing with Aston (2022), if CE is seen as a tool to move forward sustainable development, it must firstly develop a framework to show how CE strategies can promote/incentivize social equity, and it can be incorporated with other aspects (Rivera, 2020). However, as claimed by Moreau et al (2017), so far, there is no explicit evidence on how CE could lead towards social equity.

4.3.3 Diversity

Diversity is the principle that government and business leaders should be broadly representative of the communities they serve. This means that not only should there be women and people of colour in positions of power, but also that minority communities should be equally represented in public institutions (Mollenkamp, 2022). On a policy level, this principle may entail prohibitions on discrimination or providing resources in multiple languages. People living with disability are often ignored in circularity decision, a reason why more often goods and services are designed in such a way that they are not user-friendly to this constituency.

According to CFI (2023), understanding diversity and appreciating the value of cultural differences are especially important because policymakers are often better able to construct policies that take into consideration differences that exist among different societal groups. It is important to recognize that some groups face more barriers in society, and by considering the inequities, policymakers and civil servants will be in a stronger position to expand opportunities for marginalized or disadvantaged groups. Discrimination in employment on the basis of factors such as race, gender, ethnicity, sex, age, and other characteristics are constant issues in society, and enforcing policies to countermand discriminatory practices are one way in which diversity in CE can be taken into consideration.

4.3.4 Participation

Participation is the principle that everyone in a community should have a voice in making important decisions. According to Mollenkamp (2022), in many societies, public policies are set by a small group of powerful people, without consulting the communities they represent. This may have the unintended effect of excluding a large part

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of the community. According to Rivera (2020). When society is allowed to participate, it gives diverse communities room to express their own opinions, and in some cases, they can influence decisions makings, such as circularity decisions. Rivera (2020) postulates that the understandings and outcomes from society's participation can play an important role in tackling persistent societal problems in a reasonable, transparent, and multi-oriented way, along with enabling innovations for circularity. Therefore, circular economy strategies should explicitly outline strategic and systematic approaches to bring all stakeholders, together, to attempt policy coherence.

All CE actors must be connected more closely with multi-perspective policy processes and intergovernmental discussions, and should be organized by a common perspective of a sustainable CE system. On the contrary, a study carried out by Amorim de Oliveira, (2021) concluded that waste pickers (on the lower level of waste valorisation) often are not included in decision-making about waste-related issues, despite the important role they play. This is common in developing countries where workshops and meeting are carried out on waste management without involvement of stakeholders called waste pickers.

According to Rivera (2020), there are three levels of participation in terms of environmental and circular economy issues: participation in the planning process, participation via information, and participation in finance decisions. Different goals and scopes are pursued from the decision-making progress (Amorim de Oliveira, (2022), stakeholders' interest, and perceptions of bio economy (Zeug, 2019), to consumer perspectives on CE strategies for reducing wastes (Borello, 2017). These approaches have the power to give an insight base for short-term democratic and decision-making agendas (of incentives and measures to forward a potentially sustainable CE) as well as to put them into practice.

4.3.5 Human Rights

The final principle of social justice considered here, and arguably the most fundamental, is that of human rights. Stephen Fuller argues that human rights can be used as levers to accelerate our transition to a circular economy. The protection of the environment is key to human well-being and the effective enjoyment of human rights is dependent upon healthy ecosystems and biodiversity. Ghisellini & Ulgiati (2020) argued that cultural change is of paramount importance as it provides the ground for a new and more responsible vision of the relationship between humans and their environment, to better meet the imperatives of sustainable development. People value having respect shown for their rights and for their status within society and up-holding human rights is circular. The implementation of circularity for all materials in the economy must ensure that human rights are upheld for all people, with specific care for those made most vulnerable to harm.

4.4 Conditions and constraints for a just transition

A 'just transition' is the approach to decarbonising global economies in a way that is 'just' for people and the planet. This means transitioning to more environmentally sustainable economies in ways that minimise risks of harm to workers, communities and countries, while reducing inequality and creating decent work and quality jobs.

4.4.1 Conditions

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According to the ILO Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for all (year?), the following principles should guide the transition to environmentally sustainable economies and societies:

- Strong social consensus on the goal and pathways to sustainability is fundamental. Social dialogue has to be an integral part of the institutional framework for policymaking and implementation at all levels. Adequate, informed and ongoing consultation should take place with all relevant stakeholders.
- Policies must respect, promote and realize fundamental principles and rights at work.
- Policies and programmes need to take into account the strong gender dimension of many environmental challenges and opportunities. Specific gender policies to be considered in order to promote equitable outcomes.
- Coherent policies across the economic, environmental, social, education/training and labour portfolios need to provide an enabling environment for enterprises, workers, investors and consumers to embrace and drive the transition towards environmentally sustainable and inclusive economies and societies.
- These coherent policies also need to provide a just transition framework for all to promote the creation of more decent jobs, including as appropriate: anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development and social dialogue, including the effective exercise of the right to organize and bargain collectively.
- There is no "one size fits all". Policies and programmes need to be designed in line with the specific conditions of countries, including their stage of development, economic sectors and types and sizes of enterprises.

4.4.2 Constraints

The main constraints to the adoption of a system based on circularity are:

- lack of guidelines for its implementation
- the not immediate feasibility for companies operating in certain economic sectors
- the perception of a lack of economic return in the short term against investments for change
- the lack of incentives (both for the producing company, its suppliers and collaborators, but also for the final customer)
- Not having full awareness of the social, economic and environmental benefits of such a change.

4.5 Conclusion

CE, which is based on environmental, economic and social dimensions and on each step of product creation, transformation and conversion by creating a closed loop economy, has greater chance of achieving sustainability.

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Despite the challenges that lie ahead, CE has the potential to foster a just transition, and to reduce existing tensions and struggles around resource conflicts and unequal distribution of resources, in particular by reducing the pollution burden on the poor and pre-empting negative impacts on employment. It remains unclear whether the current CE framework can promote the social well-being for this generation and generations to come. In addition, social dimension is an important area in the domains of circular economy and sustainable development. Therefore, it is critical to put considerations of equity and fairness at the heart of debates about the transition, and to understand the potential for just transitions in order to ensure that the processes are not disrupted and potential losers are supported, and that susceptible countries and vulnerable populations are not left behind. Therefore, all the stakeholders involving government departments and institution are increasingly striving to achieve a comprehensive understanding and valid measurement of social dimension to influence the overall proper implementation of CE to achieve sustainable development.

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