

Synergizing Social Economy and Circular Economy

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ABSTRACT

Both social economy and circular economy have received much attention recently. Yet, the relationship between the two remains under explored. While social economy primarily refers to economic democratization, collective enterprise, and the quest for common good, circular economy tends to focus on environmental sustainability. This article examines the overlap between the two.

RÉSUMÉ

L'économie sociale et l'économie circulaire ont récemment fait l'objet de beaucoup d'attention. Pourtant, la relation entre les deux reste sous-explorée. Alors que l'économie sociale se réfère principalement à la démocratisation économique, à l'entreprise collective et à la quête du bien commun, l'économie circulaire tend à se concentrer sur la durabilité environnementale. Cet article examine le chevauchement entre les deux.

Keywords / Mots clés : circular economy, social economy / économie circulaire, économie sociale

INTRODUCTION

Both the social economy and the circular economy are now being mobilized to address the increasingly urgent social and environmental crises. Section 1 of this article introduces the rationale for building a social economy. Section 2 introduces the concept of circular economy and shows that while there is a growing body of literature on circular economy, the “social” aspect of circular economy needs more investigation. Section 3 explores the intersections and synergies between social economy and circular economy.

SOCIAL ECONOMY

Social economy is a socio-economic movement that puts people and planet before profits. It relies on collective democratically organized enterprises such as cooperatives, non-profit organizations, and mutual societies that participate in market activities with a social rather than profit-driven function (Moreau et al., 2017). The social economy model rests upon the principles of equity, inclusion, and diversity, sustainability, economic democracy, and new models of local and shared prosperity. The overall objective of the social economy enterprise is to produce for the common good with a focus on the needs of citizens and groups in localized places and regions.

The social economy tradition is notably embodied by cooperatives, a participatory model of the workplace. In this tradition, participatory governance is a constitutive feature of social enterprise. More specifically in Quebec, the social economy incorporates in its bylaws and operating procedures a process of democratic decision-making that includes users and workers (Bouchard, 2011); despite pressures towards less participatory approaches such as social business and entrepreneurial associations which may lead to “businessification” (Michaud & Audebrand, 2021).

CIRCULAR ECONOMY

Circular economy is based on the idea that rethinking and rebuilding all aspects of the value chain from production to consumption can foster a decoupling of economic activity from its environmental impacts. There is a growing body of research on circular economy from both the natural and the social sciences. A private think tank has influentially fostered the interest of business enterprises in circular economy (Ellen McArthur Foundation, 2014), and national governments and regions (such as the European Union) have developed circular economy action plans. In Quebec, a three-year long cross-sectoral, co-construction process facilitated by the Institut de l'Environnement, Développement Durable et Économie Circulaire (IEDDEC) has coined the definition of circular economy along four strategic areas (IEDDEC 2018; Figure 1):

1. Rethinking production, i.e., what kind of products are or are not needed? How can products and services be designed to reduce resource use and prevent pollution?
2. Improving the frequency of product use via sharing and collaborative economy.
3. Improving the durability of product life via maintenance and repair and focusing on services rather than on products.
4. Recycling and restoring “waste” from production and consumption as input in the production process or other value chains that may make use of the waste.

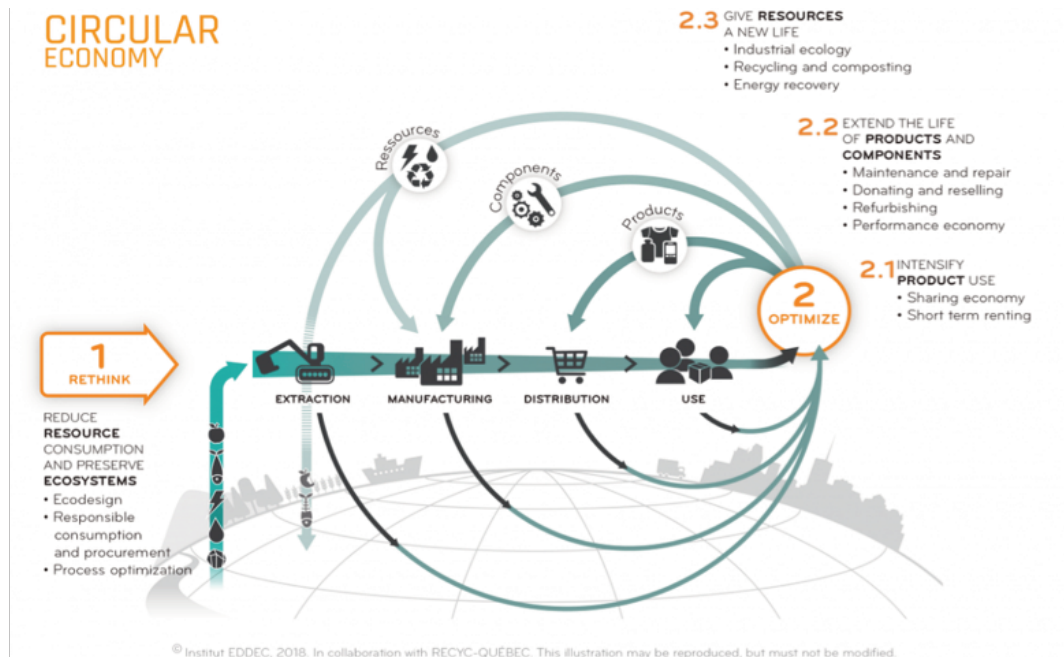
While there is no canonical definition of circular economy, according to a comprehensive definition recommended in a survey of over 114 circular economy definitions (Kirchherr, Reike, & Hekkert, 2017), circular economy is widely defined as:

Reducing the consumption of raw materials, designing products in such a manner that they can easily be taken apart and reused (eco-design), prolonging the lifespan of products through maintenance and repair, and the use of recyclables in products and recovering raw materials from waste flows. A circular economy aims for the creation of economic value (the economic value of materials or products increases), the creation of social value

(minimization of social value destruction throughout the entire system, such as the prevention of unhealthy working conditions in the extraction of raw materials and reuse) as well as value creation in terms of the environment (resilience of natural resources). (van Buren, Demmers, van der Heijden, & Witlox, 2016)

Thus, while the production-oriented focus of circular economy strategies may suggest a focus on efficiency and engineering, the definition emphasizes a social dimension.

Figure 1. Circular economy strategies



Source: IEDDEC, 20218

THE SOCIAL ECONOMY AND CIRCULAR ECONOMY: INTERSECTIONS

On a conceptual level, both social and circular economies have a transformative vision for society: social economy seeks to democratize the economy and therefore move beyond capitalist shareholder-driven enterprises, whereas circular economy seeks to decouple a growth-addicted economy from unsustainable resource demands. These transformative ideas are expressed in many variants and nuances, ranging from reformism via post-growth to degrowth. But they all acknowledge the need to shift from the current unsustainable status quo to achieve societal transformation.

These two ideals also have significant differences. On the one hand, circular economy emerged from a critique of linear models of economy and growth, as notably developed by ecological economists (Raufflet, Boiteux, Lonca, Chaves, Genois-Lefrançois, & Beaudoin, 2019), as well as from production and consumption-centered solutions such as eco-design, industrial ecology, and the functional economy. On the other hand, the intellectual roots of social economy can be traced back, via the cooperative, to Robert Owen and early ideas of a democratic socialist way of organizing the economy (Boddice, 2009). In practical terms, these differences unfold via national and regional uptake, such as the marginalization of the transformative force of cooperatives in the welfare states

of the 20th century (Quilley, 2012), or the more recent adoption of circular economy in circular economy strategies.

Overall, four main discussion topics emerge from synergizing social economy and the circular economy: 1) a broader conception of economy, 2) the social dimension of circular economy, 3) alternative economics as a political project, and 4) localizing economy within a global perspective. First, both social economy and circular economy offer an alternative economic model focused on design, manufacturing, and collaboration of citizens. These models work as an invitation to move beyond top-down, business-as-usual economics and exchange markets of capitalist economies. The communal and self-provision aspects of circular economy can exist alongside, in cooperation with, and frequently also in tension with markets (Ziegler, 2020). This thinking shifts the focus from a circular economy—centered on production and consumption—to a circular society, which would include the care, wellbeing, and justice of the people (Calisto Friant, Vermeulen, & Salomone, 2020).

Second, synergizing social and circular economy challenges the image of circular economy as an efficiency-oriented production–function model. A social circular economy considers who controls the means of production if we rethink products in terms of reusability and extended life.

Third, both circular and social economies contribute to a sustainable, democratic, and just society. These initiatives incite public and political support for their emphasis on eco-wise economies and values-driven vision for society. Finally, in practice, within social economy and circular economies, there also exists a common interest in local production and participation, including communities and regions that may not be attractive for private business. Calisto Friant et al. (2020) argue that there is a transformational circular economy discourse that draws on local cooperatives and collaborative economic structures for a more equal distribution of power, wealth, knowledge, and technology in society. Social economy points to arguments for social structures that validate and enable workers' concern for the environment and the need to adapt value chains towards a circular economy.

CONCLUSION

This article has outlined several areas of interest between social economy and circular economy. In general, social economy supports circular economy in important ways. The four main points revealed in this general introduction and synergizing. Notably, social economy challenges us to think about circular economy in a broader sense: not only in terms of who has a say but also who can participate and who is included. Doing so, synergizing the social economy with the circular economy provides the opportunity to conceive and implement an inclusive and participatory circular economy, as well as of including environmental dimensions in both the theory and practice of social economy.

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