

# The Limits to Growth: Sustainability and the Circular Economy

## Lecture 7: Circular Societies

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# **CIRCULAR ECONOMY VS. CIRCULAR SOCIETY**

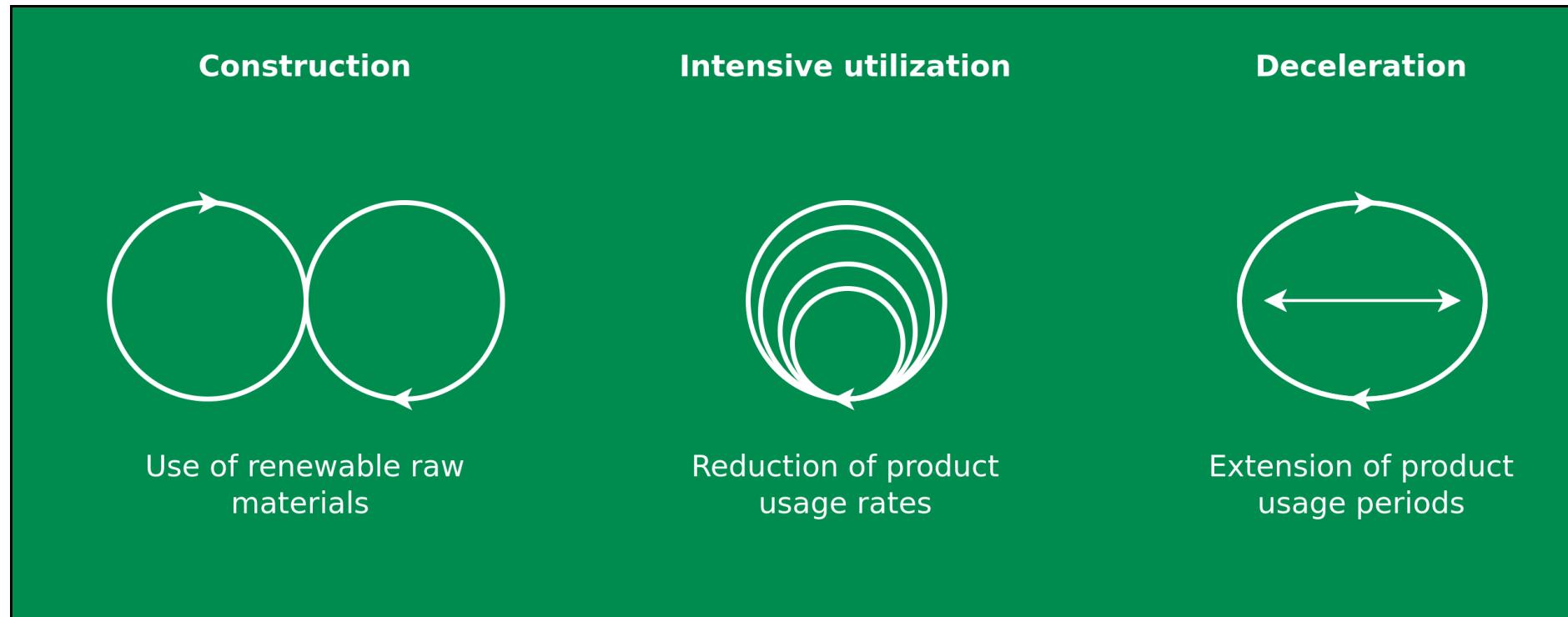
# Circular Society

## CE Recap

- Goals of the CE:
  - Maintain natural resources and minimize the discharge of substances that are harmful to health and nature
  - Ecological modernization of the economy to increase resource efficiency, e.g., by technical innovation and digital solutions
  - Products/services designed and constructed in such a way, that they can be returned to the economic and material flows at any time with little financial and energetic effort
  - Increase/maximize utilization of resources, e.g., Performance Economy

# Circular Society

## CE Recap



# Circular Society

## CE Criticism

- Replace the LE with circularly oriented forms of consumption and production
- CE focus mostly on earned value management (“Wertschöpfungsmanagement”), product-service systems, product/business model innovations within existing power asymmetries
- Decouple economic growth and consumption of natural resources

# Circular Society

## CE Criticism

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- CE focus mostly on earned value management (“Wertschöpfungsmanagement”), product-service systems, product/business model innovations within existing power asymmetries
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→ **But why do we need never ending economic growth and why is it good to consume as many goods and services as possible?**

# Circular Society

## CE Criticism

Economic value of the product

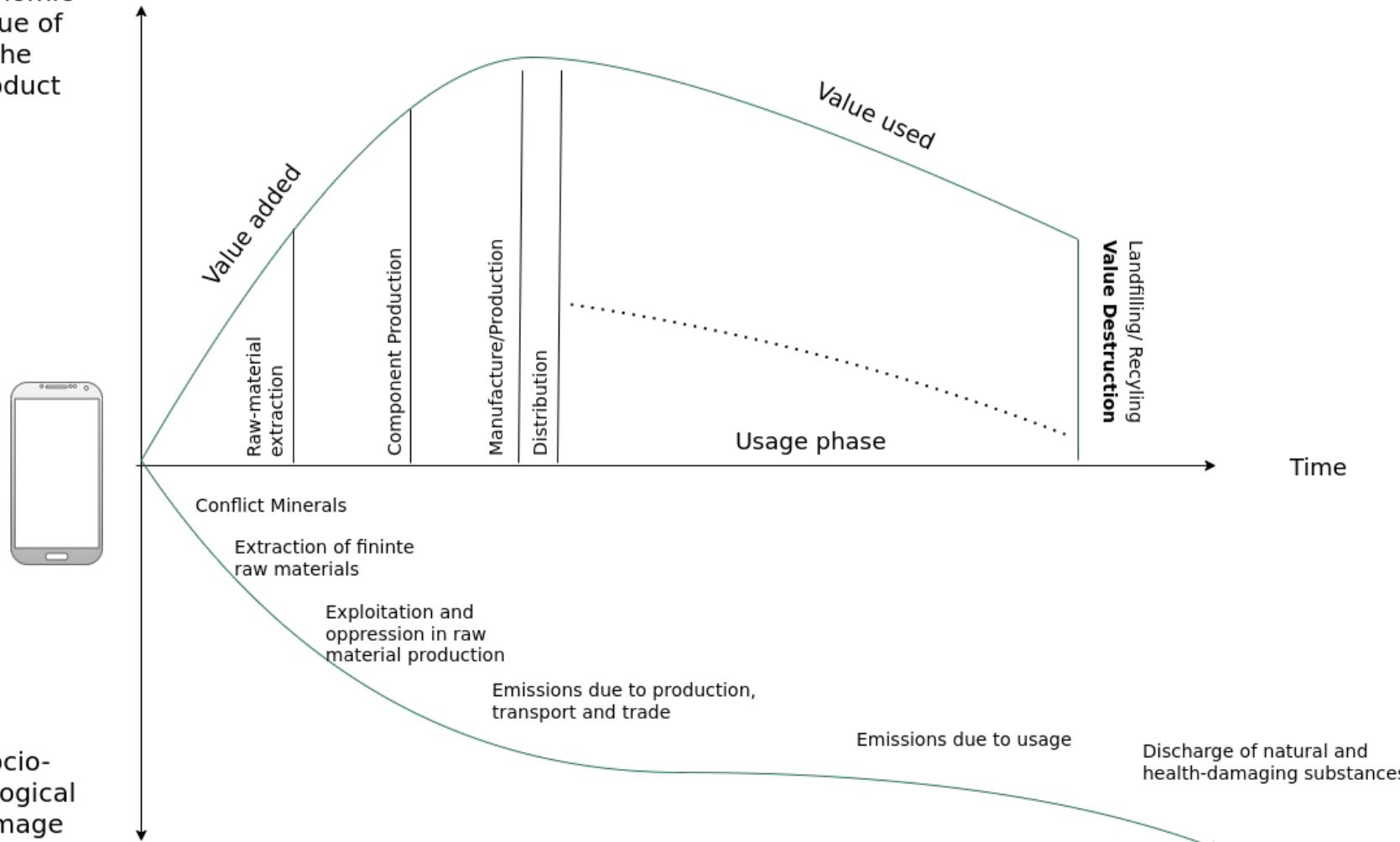


Image adapted from: M. Jaeger-Erben, F. Hofmann (2019) – Kreislaufwirtschaft - Ein Ausweg aus der sozial-ökologischen Krise? – [Link](#).

# Circular Society

## CE Criticism

- Replace the LE with circularly oriented forms of consumption and production
  - CE focuses mainly on earned value management (“Wertschöpfungsmanagement”), product-service systems, product/business model innovations within existing power asymmetries
  - Decouple economic growth and consumption of natural resources
- **But why do we need never-ending economic growth, and why is it good to consume as many goods and services as possible?**

- Alternatives:
  - Sufficiency strategies and lifestyle changes
  - Question the prevailing entrepreneurial orientation towards the shareholder concept
  - Deconstruction of existing power and hegemonic relations

# Circular Society

## Overview

- Circular Society → CS
- Goals of the CS:
  - Not just “CE + social”
  - Socio-political transformation and reorganization
  - Replace intransparent and inequity-based value chains of the LE with democratic, transparent and cooperatively organized value chains

# Circular Society

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- Circular Society → CS
- Goals of the CS:
  - Not just “CE + social”
  - Socio-political transformation and reorganization
  - Replace intransparent and inequity-based value chains of the LE with democratic, transparent and cooperatively organized value chains
  - Also → preserve the environment/resources for present and future generations and enable social participation and quality of life

# Circular Society

## Overview

- Circular Society → CS
- Goals of the CS:
  - Not just “CE + social”
  - Socio-political transformation and reorganization
  - Replace intransparent and inequity-based value chains of the LE with democratic, transparent and cooperatively organized value chains
  - Also → preserve the environment/resources for present and future generations and enable social participation and quality of life
  - All-encompassing change necessary if the CE is to be the subject of a socio-ecological transformation
  - Democratization of value creation processes and strategies for the activation and emancipation of different stakeholder groups

# Circular Society

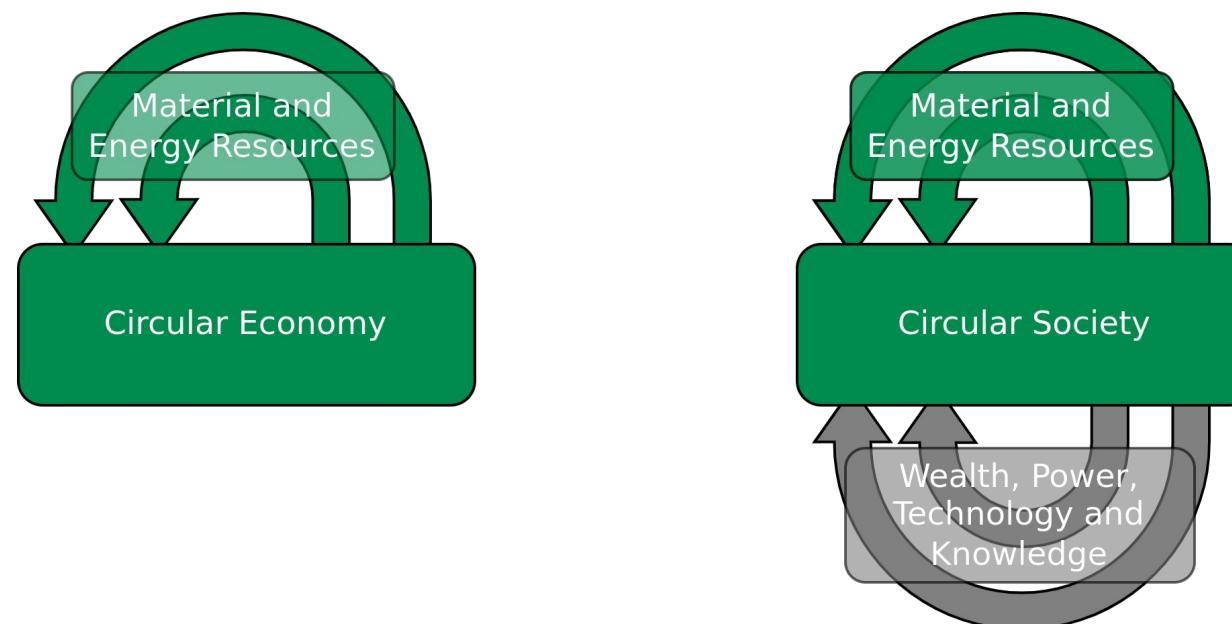
## Definition

*„A circular society defines discourses with a vision of circularity where not only resources are circulated in sustainable loops, but also wealth, knowledge, technology and power is circulated and redistributed throughout society“*

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# Circular Society

## CE vs. CS

*CE = market-based solutions and economic considerations*

*CS = Circularity as a holistic social transformation*



# Circular Society

## CE vs. CS

Circularity vision	Temporal scale	Spatial scale	Sustainability factors included	Perspective on the resource nexus	Views on capitalism and decoupling	Main goal/objective	Narrative
<b>Circular Society</b>	Very long term: multiple generations (beyond 50 years)	Macro-scale: planet Earth	People, Planet, Prosperity	Changing consumption and production patterns to keep energy, biodiversity and material resources within safe planetary limits.	Sceptical regarding the possibility of decoupling and the sustainability of capitalism.	Maintaining socio-ecological health and well-being for present and future generations of human and non-human life.	The earth is borrowed from future generations of living beings, humans must preserve, respect, restore and share it in a fair manner, even if that entails changing lifestyles and consumption patterns.
	Long term: 1 to 2 generations (20-50 years)	Macro-scale: planet Earth	People, Planet, Prosperity	Balancing trade-offs and synergies to keep energy, biodiversity and material resources within safe planetary limits.	Believe in the possibility of decoupling and the sustainability of capitalism.	Preserving social well-being and the biophysical health of the Earth system in line with the SDGs.	Humans must ensure justice, fairness and participation in the sustainable stewardship of the Earth, even if that entails redistributing and changing consumption patterns.

Table adapted from M. C. Friant, R. Salomone, W. J. V. Vermeulen (2020) – A Typology of Circular Economy Discourses: Navigating the Diverse Visions of a Contested Paradigm – [Link](#)



# Circular Society

## CE vs. CS

Circularity vision	Temporal scale	Spatial scale	Sustainability factors included	Perspective on the resource nexus	Views on capitalism and decoupling	Main goal/objective	Narrative
<b>Circular Economy</b>	Long term: one generation (19-25 years)	Macro-scale: planet Earth	Planet, Prosperity	Balancing trade-offs and synergies to keep energy, biodiversity and material resources within safe planetary limits.	Believe in the possibility of decoupling and the sustainability of capitalism.	Maintaining the biophysical health of the Earth system.	Reducing humanity's overall ecological footprint and balancing resource limits and constraints is key to ensure the stability of the biosphere and long-term economic prosperity.
	Mid-term: 1 to 2 government planning cycles (5-10 years)	Meso-scale (country, region, industrial park, city)	Planet, Prosperity	Optimizing and securing material, natural and energy resources, especially for critical raw materials.	Believe in the possibility of decoupling and the sustainability of capitalism.	Securing and preserving critical resources and materials.	Strategically maximising socio-efficiency and balancing resource use is necessary to maintain resource security and ensure geopolitical stability.
	Short-term: single product life-cycle(1 to 2 years)	Micro-scale (single product, service, or firm)	Planet, Prosperity	Optimizing material and energy resource flows in product design.	Believe in the possibility of decoupling and the sustainability of capitalism.	Capturing opportunities to lower both environmental impacts and economic costs.	Ensuring optimum resource efficiency through eco-innovation leads to win-win solutions that reduce ecological harm and increase economic value.

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# Circular Society

## CE vs. CS - Typology

	Holistic	Segmented
Optimist	<b>Reformist Circular Society</b> <ul style="list-style-type: none"><li><i>Assumptions:</i> reformed form of capitalism is compatible with sustainability and socio-technical innovations can enable eco-economic decoupling to prevent ecological collapse.</li><li><i>Goal:</i> economic prosperity and human well-being within the biophysical boundaries of the earth.</li><li><i>Means:</i> technological breakthroughs, social innovations and new business models that improve ecological health, resource security, and material prosperity for all.</li></ul>	<b>Techcentric Circular Economy</b> <ul style="list-style-type: none"><li><i>Assumptions:</i> capitalism is compatible with sustainability and technological innovation can enable eco-economic decoupling to prevent ecological collapse.</li><li><i>Goal:</i> sustainable human progress and prosperity without negative environmental externalities.</li><li><i>Means:</i> economic innovations, new business models and unprecedented breakthroughs in CE technologies for the closing of resource loops with economic value creation.</li></ul>
Sceptical	<b>Transformational Circular Society</b> <ul style="list-style-type: none"><li><i>Assumptions:</i> capitalism is incompatible with sustainability and socio-technical innovation cannot bring absolute eco-economic decoupling to prevent ecological collapse.</li><li><i>Goal:</i> a world of conviviality and frugal abundance for all, while fairly distributing the biophysical resources of the earth.</li><li><i>Means:</i> complete reconfiguration of the current socio-political system and a shift away from productivist and anthropocentric worldviews to drastically reduce humanity's ecological footprint and ensure that everyone can live meaningfully, and in harmony with the earth.</li></ul>	<b>Fortress Circular Economy</b> <ul style="list-style-type: none"><li><i>Assumptions:</i> there is not alternative to capitalism and socio-technical innovation cannot bring absolute eco-economic decoupling to prevent ecological collapse.</li><li><i>Goal:</i> maintain geostrategic resource security and earth system stability in global conditions where widespread resource scarcity and human overpopulation cannot provide for all.</li><li><i>Means:</i> innovative technologies and business models combined with rationalized resource use, imposed frugality and strict migration and population controls.</li></ul>

# **CONCLUSION**

## Conclusion

- Circular Economy (CE):
  - Maintain natural resources and minimize the discharge of substances that are harmful to health and nature → Increase/maximize utilization of resources, e.g., Performance Economy
  - Ecological modernization of the economy to increase resource efficiency, e.g., by technical innovation and digital solutions

## Conclusion

- Circular Economy (CE):
  - Maintain natural resources and minimize the discharge of substances that are harmful to health and nature → Increase/maximize utilization of resources, e.g., Performance Economy
  - Ecological modernization of the economy to increase resource efficiency, e.g., by technical innovation and digital solutions
- Circular Society (CS):
  - Not just “CE + social” instead socio-political transformation and reorganization
  - Replace intransparent and inequity-based value chains of the LE with democratic, transparent and cooperatively organized value chains
  - Democratization of value creation processes and strategies for the activation and emancipation of different stakeholder groups

## Additional Resources

- Circular Societies (German) - [Link](#)
- David Graeber. *Debt: The First 5000 Years* (2011).
- David Graeber. On the Phenomenon of Bullshit Jobs - Essay (2013) - [Link](#).
- David Graeber. *Bullshit Jobs* - Book (2018).

# Questions?