

Perspective

Problematizing Value Retention for a Circular Economy: Dilemmas and New Value Balancing Principles

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Handling Editor: Sigurd Sagen Vildåsen

Received: 13.01.2023 / Accepted: 08.02.2023

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Abstract

The circular economy is a viable alternative for our current economy; while scholarly work and policy documents problematise current principles and practices, the desirable changes are often treated as fitting in natural transition pathways. Until now, the circular economy has failed to realise its transformative potential, in practice representing at best a matter of laboriously weighing different and seemingly opposite sets of values. What are the building blocks in terms of value creation and retention, and how to upscale new value-balancing practices to a system level? This contribution problematizes the concept of value in a fragmented circular transition landscape by drawing on narrative-based and transdisciplinary approaches, and their potential consequences for governing the circular economy.

Keywords: Circular Economy; Value Retention; Value Regimes; Transdisciplinary Research; Narrative-based Approaches

The circular economy (CE) is considered a viable and realistic alternative to the linear economy, given the environmental and social challenges humanity is currently facing (CEAP 2020; PBL, 2022; United Nations, 2015). Moderate scholars (Cramer, 2020) and more radical ones (Hickel, 2020) alike regard the CE as a means to more prudent material consumption and production, and less environmental damage. Jacqueline Cramer (2020) sketches CE as a simple idea: instead of throwing away products after their use, we should keep moving within a cycle and transition towards a CE closing the loops of products, materials, and resources, yielding the lowest possible environmental impact and safeguarding the planet's biodiversity. However eloquent it may seem, and despite the growing enthusiasm among policymakers, the circular transition is painfully slow.

Both scholarly work and policy documents problematise the linear economy principles and practices, yet the changes toward circularity are often treated as fitting in 'natural transition pathways' of greening the modern economy. But does it not take more than this? Until now, contributions to CE have failed to realise the transformative potential in practice, as CE targets are still out of reach (PBL, 2022; UNFCC, 2022). This relates, among other, to: the creation, balancing and retention of multiple values by businesses (financial, social, ethical and environmental; short-term profits and long-term continuity; prosperity and societal impact, etc.); the unease with circular revenue models versus business-as-usual considerations (Ferasso et al., 2020; Franca et al., 2017; Lüdeke-Freund et al., 2019); the legal provisions underpinning the linear economy that require substantial adjustments (Kazancoglu et al., 2020; Dalhammer, 2016), and more fundamental recurrent patterns of consumer's comfort and ease versus responsible consumption. It takes a lot to transform economies.

When taking a closer look at the practical transformations of businesses, they represent at best a matter of laboriously weighing different and seemingly opposite sets of values, too often falling back on linear economy rationale. The transformative potential of CE is therefore questioned in terms of its conceptual

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clarity (Kirchherr et al., 2017), the optimistic take on reconciling economic growth with environmental benefits (Hobson and Lynch, 2016; Rockström, 2017; Zink and Geyer, 2017), and the major challenges in shifting market actor roles, consumption culture and forms of ownership (Corvellec et al., 2021; Prendeville et al., 2018; Ghinoi et al., 2020). Many scholars in fact emphasise the siloed treatment of circularity and related path dependencies as a main conundrum in governing value creation and retention responsibly (Calisto Friant et al. 2020; Hobson, 2020; Moreau et al., 2017). This hinders a comprehensive view of what CE may actually entail and how to upscale new value-balancing principles and practices to a system level in an otherwise fragmented circular transition landscape.

The nub of effecting the transformative potential of circularity arguably lies in the practical understanding of how value creation and retention inform institutional dynamics, incumbent and emergent practices. Despite the growing body of work on CE, the concept of value is seldom problematised as rhetorical trope and catalyst of the circular transition. It is therefore important to address the dilemmas of value creation themselves. In addition, while many scholars engage with the different affordances of circularity, *little to no critical scrutiny is devoted to the economy part and its ethos*. What are the ethical considerations in weighing different types of values toward value propositions, creating, and capturing value? The leading assumption here regards transformative change as inextricably linked with the emergence of (new) value regimes, thus expanding the scope from a siloed to an integrative view (Visseren-Hamakers et al., 2022).

Value regimes were initially described by Arjun Appadurai (1986) as the structural conditions that govern the production, appropriation, and distribution of value in societies. More recent work furthers the understanding of value regimes, for instance, via the interplay between governance mechanisms, material/object pathways and higher-order values, such as the “considerations of ethics, morality, or other desirable ends” that drive change in particular sociocultural contexts (Gollnhofer et al. 2019, p. 462). To these axiological considerations, one may further add typologies of use, production, exchange, symbolic, cultural, and even aesthetic values. Hence, it is important to understand how various conceptions of value relate to one another, encourage or confront one another in co-producing particular narratives of change (Hobson, 2020), shared value creation and retention toward a CE (Porter and Kramer, 2011). Next to problematising value within and between related businesses and organisations, it is important to consider the processes and extent of transformations needed. For this, one can refer to established views of transitions (Geels and Schot, 2017) and those on societal transformations towards sustainability (Linnér and Wibeck, 2019) that emphasise the narrative dimension of transformative change in societies.

Methodologically, such a perspective on value creation and retention, as well as the more fundamental organisational and societal changes that accompany shifting values, affords both narrative-based and transdisciplinary approaches. We envision combining the two as a potentially fruitful pathway for CE research, enabling multiple iterations between the interpretive and collaborative mapping of value as connecting elements across various institutional contexts and practices (Shove, 2014). A transdisciplinary orientation (Vermeulen and Witjes, 2020) would require CE researchers to engage collaboratively with societal actors in mapping ‘value in action’ for established and emergent narratives of change. The interpretive mapping of value could further add analytical depth by attending to shifting conceptions of value within those narratives of change and their recurrent “patterns of similarity and difference” (Law, 2004, p.110). The takeaways would serve as field validity, hence providing clues as to how the methodological setup may afford iterative adjustments toward realising the envisioned transformative changes (Halewood and Michael, 2008). Joint reflection on such narratives thus rests on processes of co-creation meant to articulate more comprehensive and inclusive explorations of CE that contribute to both theoretical advancements and societal practice.

DECLARATIONS

Competing interests The author declares no competing interests.

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