

Circularity is a people matter

How local governments can build just circular economy strategies in cities and regions

ECLECTIC Policy Brief

Document Overview

Title	Circularity is a people matter How local governments can build just circular economy strategies in cities and regions
Note	This policy brief is based on research evidence from the DUT project ECLECTIC, funded in the DUT Call 2022. It presents three recommendations and nine concrete actions for local governments and European policymakers. Results are based on research in Bolzano (Italy), Coimbra (Portugal), Gothenburg (Sweden) and Jonava (Lituania).
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About the project

Cities concentrate high density socio-economic activities, consuming 70% of global resources, producing 60-80% of anthropogenic greenhouse gas (GHG) emissions and generating waste of resources, energy and water. This is a critical issue, but at the same time an opportunity.

Circular economy models can reduce this waste and reduce human environmental impacts.

ECLECTIC brings circular economy from theory to action in cities, by improving the understanding of cities as complex multi-level ecosystems with inputs, outputs, and resource flows. The project aims to support local public authorities in the design, implementation, and monitoring of strategic action plans for circular economy in cities, taking care to address vulnerable groups needs and reduce inequality in selecting circular models benefiting them.

Four city-region living labs (CiRLabs) located in Italy, Lithuania, Sweden and Portugal are the testing sites where the circular practices have been studied. In the CiRLabs, stakeholder engagement processes are used to identify needs and visions and select circular economy strategies that fit them.

Project partners

		
		
		

Key messages

- The circular economy is not only about materials, waste, and recycling. It is also about people, inclusion, and everyday behaviours.
- Local governments play a key role in making circular services accessible, affordable, and available to all citizens, including just and inclusive circular strategies in cities and regions.
- Experts recommend grounding circular economy strategies and funding frameworks in social inclusion. Among the recommended actions is that European funding programs encourage integrated projects with social and environmental objectives.
- Local governments should design and implement circular strategies that explicitly address the greater barriers faced by households and individuals experiencing marginalization. Among the recommended actions are to improve access to repair and reuse services, providing financial support where needed.
- Connected circular economy and social inclusion policies through integrated funding, governance, and local planning can enlarge circularity in society.
- The engagement of social economy organizations into the design and implementation of circular strategies is expected to contribute to delivering inclusive circular services. Among the recommended actions are creating conditions for such organizations to access partnerships, funding, and opportunities for scaling up.

Introduction

The circular economy (CE) is a key pillar of Europe's transition towards sustainability. It plays an important role in major policy initiatives such as the European Green Deal, the Circular Economy Action Plan, and the Driving Urban Transitions (DUT) Partnership. Yet, despite growing political attention, CE strategies still focus mainly on industrial innovation, resource efficiency, and waste management. In doing so, they often overlook a fundamental element of successful circular transitions: people.

Not everyone has the same opportunities to participate in the CE. Access to repair services, second-hand markets, sharing initiatives, and other circular services varies across cities, neighbourhoods and social groups. Vulnerable households and marginalized communities often face greater economic, social, and practical barriers, limiting their ability to benefit from circular services. At the same time, many social enterprises, cooperatives, NGOs, and community initiatives already show that circular activities can deliver much more value than environmental benefits. By combining repair, reuse and other circular practices with employment, skills development, individual empowerment, and community support, they demonstrate how the circular economy can also strengthen social inclusion and wellbeing.

This policy brief argues that circular transitions should be designed around people. Drawing evidence from the ECLECTIC project, it highlights how European policymakers and local governments can better connect CE objectives with social inclusion, citizen participation and just transition policies. Building circular cities and regions means creating solutions that are not only environmentally sustainable, but also accessible, inclusive, and just for all citizens.

Definitions (Useful for reading)

Circular economy (CE): The circular economy is a system that aims to keep products, materials, and resources in use for as long as possible, reducing waste and the need for new raw materials. Instead of following a “take-use-dispose” model, products and materials are kept in circulation through circular practices.

Circular practices (or behaviours) are everyday actions that help reduce waste and extend the life of products and materials. Examples include repairing, reusing, sharing, maintaining, refurbishing, recycling and upcycling products instead of replacing or disposing of them.

Circular services are the facilities, activities, and local networks that make circular practices easier for citizens. They include repair services, reuse centres, second-hand shops, sharing initiatives, repair cafés, and other community-based services that support everyday circular behaviours.

Social economy organizations are organizations that put people and social value creation at the core of their activities. They include cooperatives, associations, foundations, and social enterprises. Many of these organizations use circular practices as tools to create employment, promote social inclusion, develop skills, and support vulnerable people and communities.

Vulnerable households are households experiencing economic, social, or structural disadvantages that limit their access to resources, services, and opportunities. Vulnerabilities may include low income, unemployment, social isolation, disability, unstable housing or caring responsibilities, making participation in circular practices more difficult.

1.1 Why justice matters in circular economy

Current European and local circular economy (CE) policies still prioritize waste reduction, recycling systems and industrial innovation, while social inclusion and justice dimensions often remain marginal. As a result, CE policies and social policies often develop separately, even though they address many of the same challenges.

Evidence from the ECLECTIC project shows that these two policy areas can be treated as closely connected. Vulnerable households are significantly less likely to participate in circular practices, because they face economic, spatial, and cultural barriers. At the same time, many social economy organizations and community initiatives are already using repair, reuse and other circular activities to create jobs, develop skills, strengthen local communities, and promote the inclusion of marginalized groups. Examples include repair workshops involving people recovering from addiction, social enterprises using circular activities to create employment opportunities for people facing barriers to the labour market, and social cooperatives working with local businesses to develop circular value chains that create inclusive employment opportunities for people with disabilities. Despite their contribution, many of these initiatives remain fragmented, depend on short-term funding, and are only weakly connected to local and regional CE strategies.

Building a just circular transition therefore means going beyond waste management and industrial innovation. It requires policies that connect the CE with social inclusion, decent work, and community wellbeing at the city and regional level.

2 Policy recommendations

Recommendation 1 - Grounding circular economy strategies and funding frameworks in social inclusion

European and local governments should embed social inclusion into circular economy (CE) strategies, funding schemes, and governance frameworks. This means aligning environmental and social objectives, promoting collaboration across sectors, and involving citizens, community organizations, and groups experiencing marginalities in the design, implementation, and evaluation of CE strategies to ensure that circular opportunities benefit all communities.

Actions ranked by impact and urgency

1. **European policymakers should equally consider circular economy and social inclusion objectives as components of funding schemes and governance frameworks** - Impact: High | Urgency: High

Environmental and social objectives are often funded through separate programs, making it difficult for local governments and organizations to develop projects that deliver both environmental and social benefits. European funding programs should encourage integrated projects through common funding schemes, shared evaluation criteria, and coordinated governance.

2. **Local governments should use participatory approaches to connect circular economy with local needs** - Impact: High | Urgency: Medium-High

Local governments should involve citizens, community groups, and organizations working with vulnerable people in designing, implementing, and evaluating local circular economy strategies. Participatory approaches such as community-led initiatives and circular living labs can help ensure that policies respond to local needs.

Recommendation 2 – Focus on people's needs and considering social diversity to develop circular economy policies

There can be no good circular economy (CE) without full and equitable inclusion. Putting people at the centre means ensuring that those who face barriers to participation are intentionally included in circular strategies.

ECLECTIC research shows that many citizens are already adopting circular practices. However, participation depends on factors such as people's motivations, daily habits, economic situations, income availability and access to local services. These factors vary across population groups. Vulnerable households often face additional barriers, even though they could benefit the most from affordable repair, reuse, and upcycling opportunities.

To be effective, CE policies should be based on a good understanding of people's needs, behaviours, and everyday challenges. They should address the different barriers faced by different groups of citizens and make circular practices more accessible, particularly for households and individuals facing vulnerabilities.

Actions ranked by impact and urgency

3. **Local governments should regularly monitor citizens' needs, perceptions, and barriers** -
Impact: High | Urgency: High

Local governments should collect evidence on citizens' attitudes, motivations, and everyday barriers to circular practices. Surveys, participatory workshops, living labs, and community engagement activities can provide valuable insights for design policies that respond to actual local needs.

4. **Local governments should use citizens' behavioural evidence to design CE strategies** -
Impact: High | Urgency: High

Circular economy (CE) strategies should be based on a good understanding of what encourages or discourages people from adopting circular practices in specific local contexts. Local governments should use this evidence to strengthen existing circular behaviours, remove practical barriers, and design services that are attractive, accessible, and relevant for different groups of citizens. Local governments should identify the social and economic barriers that prevent different groups of citizens – even facing vulnerabilities and marginalities – from participating in circular practices. They should use this knowledge to design targeted measures at the local level while informing European policymakers to support broader EU targeted measures fitting different European contexts. These may include improving access to repair and reuse services, providing financial support where needed, and supporting initiatives that have high social and psychological impacts on people and their wellbeing.

5. **Local governments should map circular services and identify neighbourhoods with limited access to them** - Impact: Medium-High | Urgency: Medium

Access to repair services, reuse centres, second-hand shops and sharing initiatives is often uneven across cities. Local governments should map where these services are available, identify underserved neighbourhoods, and use this information to guide future investments.

6. **Local governments and social economy organizations should develop accessible circular community spaces** - Impact: Medium-High | Urgency: Medium

Repair cafés, neighbourhood repair hubs, second-hand centres and community upcycling workshops provide environmental benefits while creating opportunities for learning, social interaction and inclusion. Local governments should work with NGOs and social economy organizations to expand these services, particularly in areas where access is currently limited.

Recommendation 3 - Empower social economy organizations as key actors in just and inclusive circular transitions

ECLECTIC research demonstrates that social cooperatives, NGOs, and grassroots initiatives play a crucial role in connecting circular economy (CE) activities with social inclusion, empowerment, and community cohesion. However, many initiatives remain financially fragile, project-based, and poorly integrated into regional and local CE strategies. Social economy organizations should therefore be recognized as strategic partners in circular transitions, supported through long-term funding, and fully integrated into local partnerships and governance processes.

Actions ranked by impact and urgency

7. **European policymakers and local governments should formally recognize social economy organizations as strategic partners** - Impact: High | Urgency: High

Social economy organizations should be fully involved in the design, implementation, and monitoring of local and regional CE strategies. Their experience in combining environmental and social objectives makes them valuable partners for delivering just circular transitions. Many successful initiatives already exist within cities and regions but remain poorly connected to local policy. Local governments should map these initiatives, promote their work, and create conditions for them to access partnerships, funding, and opportunities for scaling up.

8. **European policymakers and local governments should provide long-term and flexible funding for socially oriented circular initiatives** - Impact: High | Urgency: High

Many socially oriented circular initiatives rely on short-term projects and unstable funding. Long-term and flexible financial support would enable these organizations to grow, innovate, and increase their social and environmental impact.

9. **Local governments should strengthen synergies between grassroots initiatives, social economy organizations, and SMEs for CE services** - Impact: Medium | Urgency: Medium

Many innovative circular initiatives already exist locally but remain fragmented and poorly financed. Organizations operating in the social economy play a leading role in managing these initiatives. Local governments should encourage and facilitate partnerships between social economy organizations, SMEs, and community initiatives. Local networks and joint projects can strengthen existing initiatives and increase their long-term impact. Furthermore, working closely with organizations already active in local communities allows public authorities to expand services while strengthening social inclusion and community wellbeing.

3 Research evidence from ECLECTIC

Social economy organizations are already delivering inclusive circular initiatives

ECLECTIC interviewed 24 social economy organizations across Italy, Sweden, Lithuania, and Portugal working with people experiencing marginalities, including addiction, homelessness, disability, gender-based violence, and unemployment. The research explored how these organizations use circular activities to generate social impact.

Main findings

(Valid for the 24 organizations we interviewed in Italy, Sweden, Lithuania, and Portugal)

- Repair, reuse, and upcycling activities help promote social inclusion, empowerment, and skills development.
- Many social economy organizations such as cooperatives, social enterprises, and NGOs combine circular activities with societal goals, such as employment and community support.
- Circular initiatives create opportunities for people facing social and economic marginalities such as addiction, homelessness, disability, unemployment, or migration-related vulnerabilities.
- Many social economy organizations face unstable funding, fragmented governance, voluntary work, and regulatory barriers limiting long-term impact.
- Successful circular initiatives rely on strong collaboration between local governments, social economy organizations, citizens, and local businesses.
- Social economy organizations use circular activities primarily to achieve social goals, rather than treating social impact as a secondary outcome.

Policy relevance

Social economy organizations are already demonstrating how CE and social inclusion can reinforce each other. By recognizing these organizations as strategic partners and providing long-term support to strengthen and expand their contribution, CE policies could achieve wider societal impacts such as social inclusion and empowerment.

Circular economy is not equally accessible to everyone

Using Eurostat's household budget survey data from Italy and Portugal, ECLECTIC analysed whether vulnerable and non-vulnerable households participate differently in circular practices.

Main findings

(Valid for Italy and Portugal)

- Vulnerable households are less likely to engage in circular practices.
- Income and education are among the strongest factors influencing participation.
- Younger households are more likely to adopt some circular practices than older households.
- Socio-economic vulnerability remains a significant barrier to participating in the CE.
- Repair rates for electronics and IT equipment remain low despite European policies promoting longer product lifetimes.

Policy relevance

Measures to improve affordability, accessibility, and social equity are essential to ensure that circular transition benefits all citizens rather than reinforcing existing inequalities. Integrating social inclusion measures into CE policies - such as reducing socio-economic barriers for vulnerable households, creating more opportunities for young people to engage with CE initiatives, and expanding availability to circular IT services - can foster more equitable participation in circular practices and encourage the widespread adoption of circular behaviours across communities.

Citizens are ready for the CE, but equal access and trust remain key challenges

ECLECTIC surveyed citizens in South Tyrol (Italy) to understand their everyday circular practices, motivations, barriers, and expectations regarding future CE policies.

Main findings

(Valid for South Tyrol, region in Italy)

- In South Tyrol, repair, reuse, and donation practices are common practices.
- Second-hand consumption, upcycling, and electronics refurbishment remain less widespread.
- Saving money and protecting the environment are the strongest motivations for adopting circular practices.
- The main barriers include limited access to repair services, lack of practical skills, and low trust in the quality or hygiene of second-hand products.
- Citizens want more repair services, second-hand shops, upcycling spaces, practical workshops, educational activities, and financial incentives.
- Circular practices vary across age groups, education, household composition, and social conditions.
- Removing practical barriers is more effective than awareness campaigns alone.

Policy relevance

Continuous monitoring of citizens' behaviours, barriers, and motivations can provide a robust evidence base for CE policies. By regularly incorporating these insights into policy design and implementation, CE initiatives can achieve greater effectiveness, foster wider participation, and support a broader adoption of circular behaviours across the community.

Access to circular services can be uneven across cities

ECLECTIC combined citizen surveys, household consumption data and spatial analysis to examine the availability of repair, reuse, and sharing services across neighbourhoods in Gothenburg (Sweden).

Main findings

(Valid for Gothenburg, city in Sweden)

- Repair, reuse, and sharing initiatives are concentrated in central neighbourhoods.
- Peripheral areas often have limited access to circular services despite local demand.
- Easy access to sharing services influences participation in circular practices.
- Sharing initiatives are more successful when integrated into everyday urban life and local mobility systems.
- Walkable, accessible, and mixed-use neighbourhoods provide better conditions for successful circular services.

Policy relevance

Mapping access to repair, reuse, and sharing infrastructures can provide valuable evidence on where circular infrastructures are lacking or less accessible. By using these insights to target investments and improve service provision in underserved areas, CE policies can support more equitable cities and regions.

Concluding message

Across all four case studies, ECLECTIC reaches the same conclusion: circular urban economy is about people as much as products and materials. People's opportunities to participate in the CE depend on their economic situation, the availability of local services, their everyday behaviours, and the support provided by communities and local organizations. Policies that integrate environmental and social objectives are therefore better placed to deliver circular transitions that are not only more sustainable, but also more inclusive and just.

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Use of AI

AI tool was used to rephrase some paragraphs to make them clearer and more accessible to a wider audience.



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