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The circular economy as EU environmental policy

Changing or maintaining the status quo?

RESULTS IN BRIEF

Many actors see the European Union (EU)'s 'circular economy' (CE) as a promising narrative to step outside dominant end-of-pipe solutions towards an encompassing vision for strategies across the supply chain. Yet, this study finds that the **EU's CE Action Plan** maintains the status quo narrative instead of suggesting radical changes.

By focusing on stakeholder narratives, this discourse analysis shows that the inertia is primarily due to CE proponents' self-perception of being in a legitimacy crisis and their specific strategic argumentation that:

- 1) concealed social conflict and potential trade-offs
- 2) strengthened the agency of 'Status quo' agents
- 3) excluded alternative voices that questioned the proposed CE narrative

To develop new environmental narratives outside the status quo, actors need to employ strategic argumentation that:

- offer new agency to 'Change' agents
- provide transition strategies to 'Status quo' agents
- address potential conflicts between winners and losers of the transformation



Stakeholder struggles shape the CE policy process

In the aftermath of the 2008 global economic crisis, EU stakeholders increasingly saw the EU as acting in fierce international competition over resources and economic growth with other world regions. Many environment-oriented stakeholders felt that the EU's environmental agenda had lost momentum and saw themselves in a legitimacy crisis.

'Change' Coalition initiates "Zero-Waste"

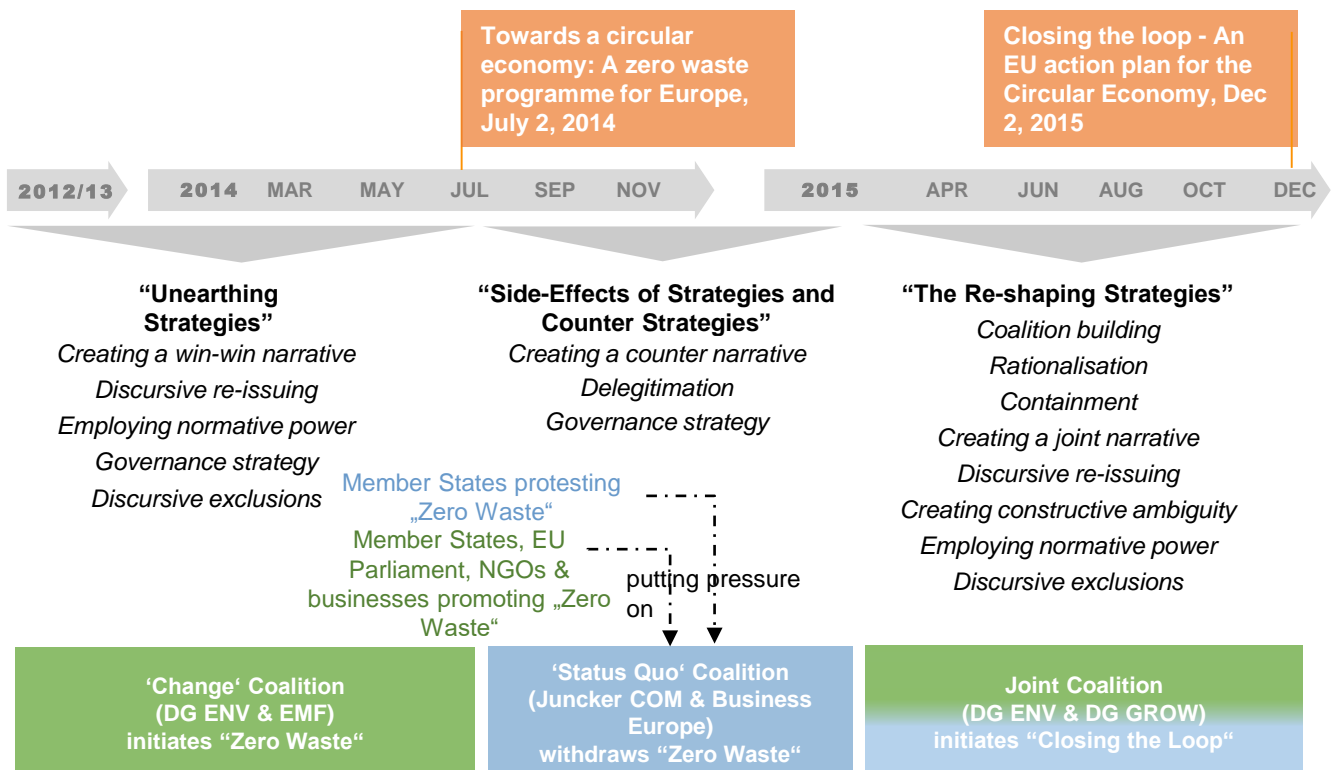
To overcome this crisis, a '**Change**' Coalition of environmental stakeholders, led by **DG ENV** and the **Ellen MacArthur Foundation (EMF)**, first set the CE narrative on the EU political agenda through a series of "**unearthing strategies**," which included **creating a win-win CE narrative** that **discursively re-issued**

environmental regulations from a burden to a business opportunity. They proposed an ambitious set of environment-focused regulatory measures – "**Towards a circular economy: A zero waste programme for Europe**" or "**Zero Waste**" (European Commission 2014). This first agenda setting, however, did not last long.

'Status Quo' Coalition withdraws "Zero-Waste"

Disagreement between Member States on the new regulatory targets and opposition from business stakeholders enabled the formation of the '**Status Quo**' Coalition between **Business Europe** and the **new EU Commission under President Juncker**. They tried to dismantle the CE narrative by withdrawing the "Zero Waste" programme.

Figure 1: Major stakeholders/coalitions and their main strategic practices during the policy process; upper boxes = major CE policy proposals, lower green box = agents supporting Zero Waste, lower blue box = agents opposing Zero Waste. For a detailed explanation of the strategies, see p. 4 & 9 of the [research article](#).





Joint Coalition initiates “Closing the Loop”

As the withdrawal triggered protests by many CE proponents, the new EU Commission created a **Joint Coalition** of **DG ENV** and **DG GROW**, and reshaped the initial narrative. This re-shaping created the final CE narrative of “**Closing the loop – An EU action plan for the Circular Economy**” or “**Closing the Loop**” (European Commission 2015).

Although the final CE narrative keeps the core argument of “Zero Waste”, that CE provides an opportunity for businesses, **the idea of new governance frameworks is now replaced with de-regulation**. These narrative changes determined the basis and scope of action for subsequent legislative proposals and debates.

As **macro-level governance was no longer the focus**, **Closing the Loop** only included **pre-existing (end-of-pipe) policy actions** that could be implemented during the term of this Commission. Whether these actions would set up the overarching transition to CE became irrelevant. The final CE narrative (“Closing the Loop”) then became *THE* EU CE narrative.




HOW DO WE KNOW?

This analysis used empirical evidence from 28 interviews with key stakeholders, 84 policy documents and participant observation data at the EU level in the time span between June and December 2017.



In particular, the study is based on a novel discourse analysis approach (Leipold and Winkel 2017), which focuses on who created the narrative, as well as how and why they did so.

TAKE AWAYS FOR POLICY MAKERS

While the CE narrative was created to transform EU environmental policy, ultimately it **maintained the status quo**. This resulted from specific argumentation strategies used to create the CE narrative that:

-  concealed social conflict by avoiding necessary discussions about potential trade-offs between environmental and economic goals
-  strengthened the agency of ‘Status Quo’ stakeholders by placing economic & environmental considerations side by side
-  excluded alternative voices that questioned the proposed CE narrative and its strategic argumentation

As the core of any political process is the resolution of social conflict, the **development of narratives outside the status quo** will depend on strategic argumentation that can:

-  address potential trade-offs between environmental and economic goals as well as conflicts between winners and losers of the imminent transformation
-  provide transition strategies to ‘Status Quo’ stakeholders to mitigate their resistance to transformation
-  develop new agency for ‘Change’ agents while facilitating the necessary political contestation about the proposed transformation



FURTHER INFORMATION & SOURCES

Full research article:

“Transforming ecological modernization ‘from within’ or perpetuating it? The circular economy as EU environmental policy narrative” by S. Leipold

Access here: <https://doi.org/10.1080/09644016.2020.1868863>

EU circular economy policy documents:

European Commission, 2014. *Towards a circular economy: a zero waste programme for Europe, communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions*. Brussels. Available here: <https://ec.europa.eu/environment/circulareconomy/pdf/circular-economy-communication.pdf>

European Commission, 2015. *Closing the loop - an EU action plan for the circular economy, communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions*, Brussels. Available here: <https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-614-EN-F1-1.PDF>

Discourse and agency:

Leipold, S. and Winkel, G., 2017. Discursive agency: (re-)conceptualizing actors and practices in the analysis of discursive policymaking. *Policy Studies Journal*, 45 (3), 510–534. doi:10.1111/psj.12172

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The **Circular Economy Series** presents research results of the research group “Circulus - Opportunities and challenges of transition to a sustainable circular bio-economy”. The researchers are developing a comprehensive understanding of possible pathways to a circular economy in Germany and Europe. To this end, they combine perspectives from the social, environmental and engineering sciences to analyze the ecological and socio-economic consequences of the circular economy in various sectors.

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