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SOCIAL AND SOLIDARITY ECONOMY INITIATIVES IN CIRCULAR ECONOMY: THE CASE OF SECOND-HAND CLOTHING IN GREECE

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Abstract

Mainstream approaches to circular economy focus on the economic and the environmental dimensions disregarding the social element of sustainable development. Proper integration of the social dimension requires the adoption of a different consumption culture and of economic behavior in general, all of which fall within the mentality of the social and solidarity economy. This perspective places due attention to social responsibility (articulated through cooperation, solidarity, sharing with, and caring for others) aiming to serve the collective interest and to increase social value and wealth. Yet, the literature that explores the links between social and solidarity economy, sustainable development and circular economy remains limited. Aiming to contribute to this literature and to advance the social dimension of CE, the current work analyzes and evaluates specific CE initiatives specialized in the reuse of used clothing in Greece, employing the perspective of social and solidarity economy. These are: a collectivity, a social enterprise, and a non-profit organization. The research assesses their effectiveness and longevity discussing also their attachment to the ideals of social and solidarity economy. It finds that the examined initiatives are all successful and satisfy to a certain degree the values and principles of social and solidarity economy, providing a sound basis to expand and enrich the concept and the approach of circular economy with due emphasis on the social dimension.

Keywords: Circular economy, social and solidarity economy, reuse, second-hand clothing, sustainable development

JEL codes: B52, B55, D02, L31, O17, O35, Q56

1. Introduction

According to the United Nations (2021) earth’s natural resources are on critical level; at the current rate of exploitation and population growth three planets will be needed to provide the natural resources necessary to maintain today’s way of life in 2050. This gloomy prediction, however, will not come true if humanity embrace the principles of sustainability to shift its focus towards more "socially inclusive and environmentally sustainable economic growth" (Sachs, 2015, p.5), in which societal, environmental and economic considerations are balanced in the pursuit of an improved quality of life for both current and future generations.
An innovative approach to achieve such goals, that has gained increasing attention over the last years, is identified under the concept of Circular Economy (CE). In simple terms, CE consists in prolonging the life cycle of products and, at the same time, saving natural resources, through the reduction, reuse, recycling and recovery of raw materials, energy and waste. In that way economic growth is decoupled from the resources use, giving rise to an economic model able to sustain higher environmental protection as compared to the current linear economic system. Yet, transitioning to a sustainable economy does not only amount to ‘adjustments’ related to the negative environmental impacts of the linear economy. Rather, it implies a systemic shift in both production and consumption culture aiming to build a sustainable circular society that accommodates environmental, economic as well as societal concerns (Kirchherr et al, 2017; Velenturf and Purnell, 2021) putting forth issues such as sharing, equality, collaboration, participation and democratic decision-making (Korhonen et al, 2018; Leipold et al, 2021).

However, although some scholars highlight the importance of the social dimension (Geissdoerfer et al, 2017; Kirchherr et al, 2017; Padilla-Rivera et al, 2020), this aspect is only marginally addressed in the CE literature, with the majority of the researchers to view CE as an avenue of environmental-friendly economic development (Leipold et al, 2021; Walker et al, 2021a; Walker et al, 2021b). In particular, most studies stay focused on the business opportunities and the economic gains (at individual, corporate, sectoral and macroeconomic levels) that the transition to a restorative, circular model brings, associated with improved employment, efficiency, and competitiveness (Walker et al, 2021b). In turn, empirical work reveals that most CE practitioners view the social aspect of CE either as part of the wider corporate social responsibility strategy, or quite generically, as an important, but unclarified, determinant of business success (Walker et al, 2021a). On the policy front, the EU’s highly technocentric CE perspective builds a momentum for growth in the recycling industry, ignoring however substantial socio-ecological challenges that emerge in modern societies (Friant et al, 2021). Overall, it becomes apparent that academics’, practitioners’ and policy makers’ discourses on CE overlook the essentially tripartite nature of CE (informed by the notion of sustainability) which advocates a holistic transition to a circular society where not only resources, but also wealth, knowledge, technology and political power are circulated and redistributed equally throughout society (Friant et al, 2020). There is, therefore, a major gap in the literature regarding the social content of CE, that is needed to be addressed especially given the links between sustainability and circularity.
This discussion requires the reconsideration of social values, economic behavior and consequently of consumption attitudes, highlighting the importance of civic engagement, participation, collective action, cooperation and sharing (Schröder et al, 2019). The mentality of Social and Solidarity Economy (SSE) seems to fit well within the abovementioned features, since it promotes an alternative economic model that goes beyond the private/public divide to prioritize social and environmental objectives instead of purely financial profits. Another key feature that distinguishes this model of organization from private and public enterprises is the participatory, more democratic, nature of governance (Utting, 2015). Yet, the SEE encompasses a wide variety of organizational forms and structures (Fonteneau et al, 2010). Despite their differences, all share a common approach that puts people at the core of their mission, structure and strategies.

Interestingly, limited (but growing) research has explicitly and systematically explored the apparent links between CE and SSE (Hobson and Lynch, 2016; Moreau et al, 2017; Lee, 2019). Seeking to inductively address this research gap, the aim of the current paper is to analyze and evaluate CE initiatives from the perspective of SSE. In doing so the research has drawn on initiatives that specialize in the reuse of used clothing in Greece, to explore whether, and if so to what degree, they are organized under the values and principles of SSE and to assess their effectiveness and longevity prospects. The selected cases are representative (or rather unique) examples of the field and comprise: a collectivity, a social enterprise and a non-profit organization. The paper is organized as follows: section 2 highlights the lack of a strong social dimension in CE, section 3 identifies the values, principles and organizational forms of SSE, section 4 present our empirical research and section 5 concludes.

2. The social aspect of Circular Economy

The CE model emphasizes on design compatible with disassembly, repair and recycling processes in order to lead to the reduction of natural resources and the maintenance of their value within the system, through a multilevel approach and the involvement of different stakeholders (Ellen MacArthur Foundation, 2013). Thus, a positively enhanced growth cycle is being created, apart from the reduce of the damage caused by the linear economy system (Ellen MacArthur Foundation, 2015).
Although the CE model, by placing emphasis on the redesign of processes and cycling of materials, represents a modern attempt to conceptualize the integration of economic activity and environmental wellbeing in a sustainable way, there seems to be no explicit attention on the social aspect of sustainable development (Murray et al, 2017). The above constitutes a weakness of the CE approach since important moral and ethical issues, like both inter- and intra-generational social equity, financial equality and equality of social opportunity, are not taken under proper consideration (Korhonen et al, 2018; Padilla-Rivera et al, 2020; Velenturf and Purnell, 2021).

More specifically, Kirchhnerr et al (2017) argue that the lack of explicit linkage between the CE concept and sustainable development is due to the former’s main aim that centers on economic prosperity, followed by environmental quality. Yet, other scholars (e.g. Korhonen et al, 2018; Suárez-Eiroa et al, 2019) state that there is a close relationship between sustainable development and CE, with the latter to operate at least beneficially towards the achievement of specific sustainable development goals. Finally, Prieto-Sandoval et al (2018) argue that the concept of CE relates closely with the way society innovates, in terms of legislation, production and consumption as an additional key component of wealth creation in terms of sustainability.

Overall, sustainable development establishes goals to be achieved in order to solve the problems and their consequences, whereas CE can be seen a tool to address some of the causes of these problems (Suárez-Eiroa et al, 2019). However, the majority of CE literature place emphasis on the economic and ecological benefits, placing CE in areas 1 and 2 of Figure 1 (Leipold et al, 2021; Walker et al, 2021a; Walker et al, 2021b). By enhancing the social parameters and consequently introducing a more anthropocentric dimension to CE (area 2 of Figure 1), the CE model can be aligned to the idea of sustainability to provide a more balanced approach to sustainable development (Kirchhnerr et al, 2017; Murray et al, 2017; Korhonen et al, 2018; Suárez-Eiroa et al, 2019). This alignment and the full embracement of social considerations in CE requires a redefinition of social needs and therefore of consumption culture (Schröder et al, 2019; Friant et al, 2020). The shift from issues concerning exclusively environmental protection and economic viability will take place with the emergence of new ideas and practices and supportive policies.
3. Values and Principles of Social and Solidarity Economy

The early cooperative movement provided the basis of the development of the modern concept of SSE. Its underlying values and organizing principles include voluntary and open membership, democratic governance, autonomy, cooperation, social responsibility, and concern for the community (https://www.ica.coop/en). The last-mentioned element constitutes a key cooperative principle that addresses explicitly the social mentality of both cooperatives and the SSE in general. Specifically, it states that "cooperatives work for the sustainable development of their communities through policies approved by their members", indicating the commitment to contribute to sustainable development of the community they belong to, through specific policies and actions they undertake at the local level.

Interestingly, this seventh principle reflects all aforementioned principles and values and incorporates all three dimensions of sustainable development, according to which the concern for social and environmental sustainability enhances the financial success of the cooperative. Practically that means that the members of cooperatives individually and collectively (in terms of the General Assembly) being committed to ensure high priority on community problems, environmental issues and members' education, through democratic decision-making processes, so as to succeed the balance between the collective (their) and social (of wider community) benefit. However, we must take into account that the field of SSE is characterized by exceptional heterogeneity and diversity in organization forms, formal and informal, that do not sit well within the strict spectrum of state/private divide (Nikolopoulos and Kapogiannis, 2013). On these grounds, a widely accepted term “third sector” has been endorsed to concisely describe this
plurality. Conceptually the third sector is distinguished in solidarity economy, social economy and non-profit sector (Adam and Papatheodorou, 2010; Adam, 2012).

Solidarity Economy refers mostly to the emerged radical practices that came out of the social movements proliferated especially during and after the recent economic crisis, while Social Economy comes from the European cooperative movement and clearly incorporates the experience of more conventional SEE approaches (Adam, 2012). Non-profit organizations (NPOs) finally were developed for the economic and social interest of their beneficiaries into fields and practices that eventually affect their networks having a wider social result (Zannis, 2015).

Although detailed analysis of the similarities and differences of various schemes that fall within the field of SSE are not the purpose of the current paper, we should mention the following: A key difference between the social economy and the non-profit sector is that NPOs are non-profit-distributing entities that involve a considerable degree of voluntary participation. In addition, cooperatives are characterized by independent management and democratic decision-making, although the integration of democratic processes depends on the legal form of the organization. Both types presuppose the existence of a legal entity and constitute private driven initiatives (Adam, 2012). In turn, social enterprises aim, on the one hand, at correcting of market and/or public failures regarding employment, and on the other, at promoting participation and democracy through the undertaking of economic activities at local level (Zannis, 2015).

Overall, following Nikolopoulos and Kapogiannis (2013) we argue that the field of SEE includes a variety of formations, which, despite their differences, propose an alternative way of organization that establishes new social relations and increases social utility. Initiatives of the third sector, by producing social products and goods of particular social utility, have a positive impact at local level and at society as a whole, even in cases that priority is placed on advancing the interests of their members or in cases that they lack democratic participation in organization and decision making,

4. Empirical Research

Taking all this into account, the current research assesses the effectiveness and longevity of representative initiatives that operate in the reuse of used clothing in Greece, discussing also their commitment to the values and principles of the SSE. These are a collectivity, a social enterprise,
and a non-profit-organization. We adopted the case study approach, with data collected through both secondary and primary sources, that is internet and printed material, and semi-structured interviews and observation by the researchers.

The choice of the particular sector for study, i.e. initiatives engaged in the reuse of used clothing was driven by the fact that the textile sector is largely responsible for the environmental degradation of the planet (European Parliament, 2020). Besides the future reduction of raw materials in the textile industry and the contribution to the improvement of the natural environment, we argue, along with Harris et al (2016), Binotto and Payne (2017), Vehmas et al (2018) and Paço et al (2021) among others, that the specific practice has the dynamic to form an alternative consumer and production culture.

4.1 Collectivity - Skoros

Skoros (https://el-gr.facebook.com/skoroscc) is a solidarity-economy initiative in Greece with no formal/legal recognition, that is engaged in the reuse of used clothing. The members of Skoros embrace the values and principles of ecology, degrowth, solidarity, sharing and gift-giving of goods. They advocate the establishment of in a post-capitalist society, that goes beyond the state and the market, and as such they support the transfer of resources without the mediation of money spreading the ideas of sharing, gift-exchange and reduction of consumption.

The collectivity aims to resist to the belief “I consume, therefore I am” through the practice of reuse, since it addresses mainly to middle class, and consequently contribute to the prevention of depletion of natural resources and further impoverishment of the third world.

As far as its operation is concerned, Skoros accepts mostly clothing donations and distribute them equally - on the basis of an agreed number of pieces per household - in order to have effective and equitable management of the donations. Items in general are given as “a gift” since money-based transactions are against its founding principles.

The decisions are made by the General Assembly through democratic, bottom-up processes on all issues, and even consensus when necessary, stressing the importance of participating in assembly meetings and committing to common responsibilities.
Finally, the members of the initiative intend to achieve further collaborations with similar initiatives and to implement actions of social interest and publicity. As such the place constitutes a meeting point for socialization, communication, exchange of ideas and collective action of those interested, with resulting benefits that are spread to the residents of the area.

4.2 Social Cooperative Enterprise – Second Hand Shop

The Second Hand Shop (https://acoop.gr/second-hand-shop/) is a Social Cooperative Enterprise (SCE) for persons with mental health problems that promotes the idea of reuse, circular economy and zero waste practices through its commercial activity. It aims to contribute to provision of work integration, socialization, and empowerment of socially vulnerable people.

The cooperative apart from regular funding from the Ministry of Health, also accepts donations of items from people with ecological and social sensitivity. The items are being sold at relatively low prices as the main purpose is not the profit but the maintenance of the jobs for vulnerable people. Part of the vision of the SCE is the transformation of consumers mentality placing them into a social chain that cares for the sustainable production and equal distribution of resources, of income and of benefits.

The decisions are made by the General Assembly unanimously, the members of which - except for individuals from socially excluded groups - have waived the right of distribution of cooperatives’ profits.

The development of a strong network with other SSE’s initiatives is the goal of the cooperative, as well as the cooperation with the municipal services for the provision of appropriate recycling equipment. The social utility of the cooperative is being transmitted through social media and participation in events, and mainly through the several stakeholders, since they are considered to be the key factors for the promotion of the benefits of collective work, reuse and the social purpose
of the SSE. After all, the space of Second Hand Shop is a point of connection, social cohesion, and co-creation.

4.3 Non-Profit-Organization – Fabric Republic

Fabric Republic (http://www.fabricrepublic.gr/) is an NPO managed by a tripartite Board of Directors. It is an innovative and comprehensive clothing management organization that focuses on contemporary social needs, sustainability and sustainable development. Furthermore, it employs socially vulnerable people.

The NPO’s vision is the collective development of social and ecological consciousness for a "zero waste" reality through the optimization of the cyclical management of excess clothing which will ultimately contribute to reduction of waste and of social inequality as well.

Fabric Republic does not conduct money transactions. Thus, it accepts money and clothing donations either from companies or individuals, in order to distribute them to solidarity organizations for donations. Citizens can contribute by placing used clothing in one of the especially designed Fabric Republic bins that have been strategically placed in an ever-expanding network of cities. Items that cannot be used are transferred to fabric recycling.

The NPO has developed a strong network of partners and strategic partnerships with public and private organizations. At the same time, it participates in environmental, artistic and informative events and organizes promotional actions to raise public awareness regarding environmental and social issues. Finally, volunteers are considered as key factor for the overall success of the project.

4.4. Evaluation and discussion

The analysis of the examined cases that operate in the reuse of used clothing in Greece concludes that they are all functional and they address to a great extent the essential requirements of CE’s social dimension (for an overview see Table 1). Despite their different form (grass-roots initiative, SCE, NPO) organizational structure, and practices and actions, they all strive to alter current
consumption mentality on clothing, aiming to build a truly sustainable circular society in Greece, based on civic engagement, collective action, cooperation, offering and sharing by the citizens.

TABLE 1
The characteristics of the initiatives that operate in the reuse of used clothing in Greece

<table>
<thead>
<tr>
<th>Collectivity</th>
<th>SCE</th>
<th>NPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skoros</td>
<td>Second Hand Shop</td>
<td>Fabric Republic</td>
</tr>
<tr>
<td>Collectivity</td>
<td>solidarity-economy, grass-root initiative / no formal recognition</td>
<td>social economy sector</td>
</tr>
<tr>
<td>Viewpoint</td>
<td>beyond the state and the market / sharing and gift-exchange / against current consumption culture</td>
<td>the transformation of consumers mentality placing them into a social chain that cares for the sustainable production and equal distribution of resources and wealth</td>
</tr>
<tr>
<td>Aim</td>
<td>prevention of depletion of natural resources &amp; further impoverishment of the third world</td>
<td>zero waste practices / employment, integration, socialization &amp; empowerment of socially vulnerable people</td>
</tr>
<tr>
<td>Target group</td>
<td>mainly middle class</td>
<td>people with ecological &amp; social sensitivity</td>
</tr>
<tr>
<td>Operation</td>
<td>autonomous / clothing donations &amp; equal distribution</td>
<td>governmental funding / donations &amp; purchase at affordable prices</td>
</tr>
<tr>
<td>Decision making</td>
<td>General Assembly bottom-up processes on all issues &amp; consensus when necessary</td>
<td>General Assembly unanimously</td>
</tr>
<tr>
<td>Collaboration</td>
<td>similar initiatives, actions of social interest &amp; publicity</td>
<td>network with other SSE’s initiatives, municipal services, stakeholders &amp; participation in events</td>
</tr>
<tr>
<td>Community</td>
<td>meeting point for socialization, communication, exchange of ideas &amp; collective action, volunteers</td>
<td>point of connection, social cohesion &amp; co-creation, volunteers</td>
</tr>
</tbody>
</table>

Source: authors’ elaboration

In addition, the three cases satisfy the main criteria and principles of SSE, though to a different degree depending on their special features. In particular, as Table 2 demonstrates all three
examined initiatives exhibit a high concern for the community and embrace aspects of social participation, openness, cooperation, and social accountability in their operation.

**TABLE 2**

Overview of satisfaction of the main criteria and principles of SSE

<table>
<thead>
<tr>
<th>Community concern</th>
<th>Collectivity Skoros</th>
<th>SCE Second Hand Shop</th>
<th>NPO Fabric Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collectivity</strong></td>
<td>● clothing needs are met through donations and gift-giving</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● spread the idea of CE &amp; other political &amp; ecological values</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● meeting point for socialization, communication, exchange of ideas &amp; collective action</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Participation/Openness</strong></td>
<td>● community members</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● citizens, volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cooperation</strong></td>
<td>● similar solidarity initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● network with other SSE’s initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Democratic governance</strong></td>
<td>● direct-democratic organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● democratic decision-making</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● point of connection, social cohesion &amp; co-creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● a network of cloth-collection hubs, organizations and citizens</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: authors’ elaboration*

Regardless of the ideological framework by which each initiative adopts in approaching the concept of “closing the loop of clothing”, the social element is very strong in all of them since clothing needs are met through donations and free gift-giving (collectivity, NPO) or purchase but at affordable prices (SCE). Also in all cases, there is a serious effort on behalf of the members of each scheme to spread the idea of CE and its benefit to both environment and society.

The above is being communicated through publicity actions and the network of collaborations compatible with the stance and the vision of each initiative. For instance, the collectivity organizes awareness actions against consumerism at local level, the SCE participate in bazaars and festivals, and the NPO promotes the transition to the zero-waste society through the networking and mass media (television programs). Moreover, volunteers are accepted at all three initiatives. At NPO are
considered to be key factor of its successful operation, while at collectivity and SCE are considered to be the main source of spreading their ideological and ecological values.

Finally, the collectivity and the social enterprise adopt democratic decision-making processes, constituting them more social accountable and in touch with the social aspect of CE. In any case we believe that the selected schemes of SSE that operate in the reuse of used clothing in Greece have the dynamic to provide a sound basis to expand and enrich the concept and the approach of CE with due emphasis on the social dimension.

5. Conclusions

Aiming to contribute towards enhancement of the social dimension of CE, the current work analyzed and evaluated specific CE initiatives specialized in the reuse of used clothing in Greece, employing the perspective of SSE. A number of points that emerged are highlighted.

First the mainstream approach to the issue of CE places particular emphasis on the environmental and the economic dimensions disregarding key aspects of social significance, such as collective action, community participation and solidarity building. Yet, these aspects constitute not only desired outcomes of adopting circular practices, but determinants of a truly sustainable circular society, that is a society that embraces in full all circularity dimensions and principles.

Furthermore, the integration of the social and egalitarian dimensions of sustainable development requires the adoption of a different lifestyle, consumption mentality and of economic behavior in general. Key factor to the transition to a sustainable socioeconomic model is the cultural and institutional framework and the support it provides to new ideas, practices, and initiatives, that pay due respect to community building, solidarity, cooperation, and sharing.

This perspective is relevant to the collective and social interest being served by SSE or third sector initiatives, since besides their differences, they develop social relationships founded upon trust, cooperation, sharing, social responsibility and solidarity among people and caring for others, subsequently increasing social utility and collective wealth. Particularly, the underlying values and organizing principles of the SSE include voluntary and open membership, democratic governance, autonomy, cooperation, social responsibility, and concern for the community.
The empirical research revealed that the examined initiatives address to a great extent the essential requirements of CE’s social dimension and satisfy the main criteria and principles of SSE, though to a different degree depending on their special features. Also, they exhibit an amount of adaptability and continuity that enables them to thrive even during the testing times of COVID crisis (observation, June-July 2021). Despite their differences, they all seek to shift the established mentality of clothing consumption in Greece, aiming to a truly sustainable circular society, based on community building, social responsibility, civic engagement, collective action, cooperation, offering and sharing. Thus, they seem to have the dynamic to provide a sound basis to expand and enrich the concept and the approach of CE with due emphasis on the social dimension spreading the idea of a real cyclical society.

Finally, there is a wide range of opportunities for future research in the linkage between CE and SSE and the actual impacts of these two concepts towards the enrichment of the social aspect of sustainable development. From our point of view, the state should support further collective actions of civic engagement and community empowerment with clear social and environmental objectives. Policies are needed that provide proper incentives for participation, collaboration, and networking, along with a supportive legal framework that allows, consolidates and strengthens such initiatives.

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