

Challenges of the Circular Economy: Inequality and Economic Behavior

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Abstract. *The move towards a circular economy is a challenging journey. It has gained a lot of recognition in recent years as a sustainable alternative to traditional production and manufacturing of goods, mainly due to its potential for minimisation of waste and promotion of resource efficiency through reusability and recycling. Nevertheless, this transition it's also met with sufficient challenges that are linked with inequality in society as well as consumer behavior. Although the circular economy model is based on the principle of extending reusability of products and materials, its implementation is often difficult in practice. In low-income communities, in particular, the access to sustainable materials or practices is proven to be difficult and it's often linked with disparities in resource distribution. As well as inequality, consumer behavior also plays a major role in the success of implementing sustainable initiatives which are supporting the transition to a circular economy. Behavior is shaped by choices, cultural norms, economic incentives and individual preferences, which have a significant influence on how sustainable consumers are or have the potential of being. This article considers inequality and consumer behavior and underscores some of the challenges to fully transition to a circular economy. This study also seeks to identify the barriers to transition to circular economy practices and opportunities to overcome them. Through developing inclusive policies, promoting sustainable consumption, and empowering stakeholders across society, we can navigate towards a more equitable and resilient future.*

Keywords: circular economy, behavioral economics, sustainability, consumer behavior, business innovation.

Introduction

Circular economy has a lot of challenges. But in regards to income inequality, it can limit access to circular practices such as recycling, repairing, and reusing goods. Low-income communities may lack the financial resources or infrastructure to participate in recycling programs or access repair services, perpetuating a linear consumption model.

The level of access to resources can also influence consumer behavior, with individuals from low-income households often prioritizing costs over sustainability. Consumers may be less

inclined to invest in durable or environmental products mainly due to financial constraints, leading to higher rates of consumption and waste generation. It can skew market dynamics, with luxury or premium goods catering to higher-income demographics often designed for short lifespans or frequent upgrades. This can undermine efforts to promote durable, long-lasting products and hinder the adoption of circular business models. (Hojnik J. et al. 2021)

The significance of waste management systems should not be overlooked, particularly in light of the disproportionate impact on marginalized communities, who often bear the brunt of waste disposal and environmental hazards. The lack of access to adequate waste management infrastructure can exacerbate pollution and environmental degradation in low-income areas.. (Giuseppe S. et al., 2021) Regarding policy implementation, there can be challenges for policymakers seeking to implement circular economy policies. There may be resistance from industries or affluent groups reluctant to change consumption patterns or invest in sustainable practices that could impact profitability or convenience.

In this study, the authors detail the challenges that governments, businesses and individuals can encounter when looking to adopt a circular economy. To name a few, some of these challenges include policy regulation, go-to-market failures, underfunded sustainable initiatives, technology limitations, and cultural attitudes. These have the potential to hinder and block the transition to a circular economy. In order to address these governments, businesses and social communities need to develop effective sustainability strategies

Using tools such as innovation and investment in circular economy initiatives can positively influence the outcome, but limited access to capital and resources may hinder the development and scaling of innovative solutions aimed at promoting resource efficiency and reducing waste (Lehmann C. et al. 2022). Addressing income inequality becomes essential for advancing the transition to a circular economy. Other innovative solutions include regulatory policies that promote social equity, such as targeted subsidies for sustainable products, investments in community-based recycling programs, and initiatives to raise awareness as well as access to circular practices among low-income populations.

Similar to inequality, consumer's behavior often encourages linear consumption patterns, where products are made, used, and disposed of. This model also known as "take-make-dispose" leads to resource depletion as well as waste generation. These are opposed to the principles of circular economy, which emphasize resource efficiency and waste reduction. (Carforaa A., Scandurra G. 2019)

Consumer behavior can be driven by advertising, social pressures, and cultural norms which often promotes overconsumption and rapid product turnover. As a result, the demand for new products has increased as the consumption of resources. In turn thus contributing to environmental degradation, another potential blocker for the transition to a circular economy.

In today's market the deliberate and anticipated outdatedness are frequently employed strategies across several sectors, compelling customers to replace their products before their useful life has expired and to opt for more recent iterations. A consequence of this is the wasteful disposal of items that are still functional, enabling the rise of different types of waste such as textiles or electronics. Due to the lack of knowledge, many consumers and businesses are not fully aware of the principles and the benefits of the circular economy, or they may lack the incentives to adopt circular practices. Economic structures and policies may not adequately reward or incentivize resource efficiency, recycling, or the adoption of circular business models.

Economic behavior within supply chains often prioritizes cost-efficiency and short-term profit maximization over environmental sustainability and circularity. Saliva et. al 2021 argue that

this type of behavior can result in the use of non-renewable resources, inefficiencies in the production processes, and unsustainable waste management practices (Saliva et. al 2021)

Transitioning to a circular economy requires significant investments in research, technology, infrastructure, and workforce training. Economic behavior driven by short-term financial considerations may hinder these investments, slowing down the transition to circular business models and practices.

To solve these challenges we need a complex approach involving influencing changes in consumer behavior, a change in end-to-end business practices, government policies, and global cooperation. In 2024, speakers in the World Economic forum argued that some strategies we could use to overcome economic barriers in the transition to a circular economy are: encouraging sustainable consumption patterns, promoting eco-design and product longevity, implementing extended producer responsibility (EPR) schemes, and providing financial incentives for circular initiatives. (World Economic Forum 2024)

Economic inequality can be seen to varying degrees on all continents, but the impact and consumer behavior in the face of this inequality can vary according to the socio-economic, cultural and political context of each continent.

South America represents a relevant example, where economic inequality is often pronounced with large numbers of people living in poverty while some are extremely wealthy (Giuseppe S. et al. 2021). Consumers in the region can be divided between those who have access to luxury products and services and those who struggle to meet their basic needs.

Inequality can lead to polarization in consumption behavior, with some choosing expensive products and services and others being limited to cheaper choices or saving for essentials. (Stiglitz J.E., 2002)

In many African countries, a large part of the population lives in poverty and only a small segment of the population enjoys wealth and privilege. Consumers may have access to certain goods and services because of their income and socio-economic status. Social and income inequality is also a phenomenon that can also lead to different choices in consumption, with some consumers affording luxury goods which promote product longevity, whilst other consumers can only afford the essential or more affordable goods, which don't always promote sustainability. On the other hand Europe, a continent of economic contrasts, faces a significant income inequality between its member countries. While the western and northern states enjoy a higher average disposable income, there are countries that stay behind this threshold, marking a clear geographical division in terms of prosperity. (Lehmann C. et al. 2022)

Social and income inequality in Europe remains a big problem still, with deep implications in accessing goods and services. However, some predicted increase in disposable income in certain countries can offer more opportunities and help the transition towards a more circular economy.

Global entities: central factors of transformation

Several global entities actively support the transition to a circular economy by promoting awareness, funding research, developing policies, and facilitating collaborations among various stakeholders.

The support may come from the following entities: United Nations (UN), European Union (EU), World Economic Forum (WEF), World Business Council for Sustainable Development (WBCSD), Circular Economy Leadership Coalition (CELC), etc.

The European Union has developed a wide “Circular Economy Action Plan” which includes ways to improve resource efficiency, reduce waste, and promote recycling, providing

funding and support for circular economy projects through programs such as Horizon Europe and the European Regional Development Fund.

The World Economic Forum gets involved in promoting the circular economy through its “Platform for Accelerating the Circular Economy” (named for short PACE). This initiative unites governments, businesses and communities to collaborate on circular economy initiatives, share best practices, and drive systemic change across the board.

The WBCSD is another global network of leading businesses which are committed to supporting and promoting sustainable development. This platform supports the transition to a circular economy by developing tools, frameworks, and case studies helping companies integrate circular economy principles into their operations and production processes.

The CELC is a partnership between the World Resources Institute (WRI), the World Business Council for Sustainable Development (WBCSD), and the Global Environment Facility (GEF). It aims to accelerate the transition to a circular economy by mobilizing governments, businesses, and communities to take action on environmental practices.

All these global entities mentioned play a pivotal role in raising awareness, mobilizing resources, and fostering collaboration to advance the circular economy transition, addressing global sustainability challenges.

Going back to the The World Economic Forum, this international organization is integrating leaders from business, governments, academia and society into a global community committed to improving the state of the world. To achieve its mission, the World Economic Forum behaves as a catalyst for thought leadership and action mainly in the form of supporting and facilitating public-private partnerships. In order to do this, the organization identifies issues on the global, regional and industry agendas, develops solutions and, where possible, creates partnerships to enable action. They always act in the global public interest, combining creative thinking, innovative initiatives and intellectual integrity with the bias for advancing at a pace to enable the transition to a circular economy. In doing so, this organization fully respects the essential role played by governments and other international organizations, including any affiliated institution. They are a not-for-profit organization, operate independently and do not pursue any political interest, demonstrating independence and impartiality.

As a society we go through transformations that are interconnected and mutually reinforcing: economic, environmental, political and technological. These four transformations create both trade-offs and improvement opportunities for decision-makers in government, business as well as consumers. Big organizations like The World Economic Forum come and support the public in understanding these challenges and in coming together to design and offer solutions. In order for global leaders to conserve the health of our planet, they sustain a shift in our economic, production and consumption patterns. At the same time, it is also vital that these economic shifts do not stretch socio-economic gaps. Navigating uncertainties and balancing the necessity of nations are the most challenging dilemmas of today's leaders.

Environmental shifts require a greater balance in short-term responses and longer-term planning, innovation and cooperation between governments, and the private sector and civil society come in support of these actions.

These types of approaches are sustained by organizations like The World Economic Forum, mentioned above who stand for substantially strengthened partnerships between society, businesses and governments. As described in their 2023 Report, they grew their business partnerships area by nearly a quarter between the years of 2020 and 2023. (EIB Group Carbon footprint data, 2022) The

organization also succeeded in renewing partnership agreements with other similar organizations like the UN, OECD and many governments in supporting trust-based global cooperation.

The complex challenges the world faces are in need of a forum. For rigorous and respectful dialogue between and among parties/leaders who have different beliefs and viewpoints, where diversity of thought is respected and all voices can be heard.

Methodology

For the following proposed data sets, we proposed an empirical analysis, which we considered illustrative in order to highlight the obstacles that a state where economic inequality is substantial, and consumer behavior is guided in accordance with the economic climate. In order to highlight the cumulative impact of economic behavior and inequality, we analyzed the activity performance from the European Investment Bank (EIB Group), data they made available on their webpage. The main goal of this entity is to permit us to have key statistics on Europe's economy, society and the surroundings that we, as citizens, want each as choice makers.

They made available the data related to the carbon emissions generated over a period of 5 years, where you can see the decrease in these emissions for the period when the employees worked from home. They could reach a 2.5 times decrease in 2022. (Table 1)

Table 1. Case study on a work environment (EIB Group)

Emissions source		2015	2016	2017	2018	2019	2020	2021	2022
Tier 1	Natural gas	24	28	28	24	20	10	12	3
	Company cars	58	70	62	51	58	32	30	21
Tier 2	Electricity	5,717	5,245	5,344	4,226	3,495	2,689	2,372	1,893
	Purchased steam	421	798	743	660	653	731	861	261
	Cold supply								
Tier 3	Business travel (flights and rail)	14,724	15,972	17,736	18,905	18,228	3,084	1,313	11,393
	Minibus (including internal mail)	32	38	46	60	54	17	28	33
	Commuting	2,638	2,735	2,874	2,838	2,755	758	617	1,354
	Courier	70	74	72	62	61	37	33	34
	Rental cars		92	45	52	58	13	6	37
	Water	50	58	62	70	69	45	17	21
	Waste	11	11	10	17	15	6	8	8
	Paper consumption	105	107	109	130	98	37	31	43
	Data centres	405	290	277	189	139	152	177	96
	Homeworking						1,876	2,204	2,156
Totals	Total Tier 1	82	98	90	75	78	42	42	24

Emissions source		2015	2016	2017	2018	2019	2020	2021	2022
	Total Tier 2	6,138	6,043	6,087	4,886	4,148	3,420	3,233	2,154
	Total Tier 3	18,035	19,377	21,231	22,323	21,477	6,025	4,434	15,175
	Total gross emissions	24,255	25,518	27,408	27,284	25,703	9,487	7,709	17,353
	Electricity (with green tariff)	-5,717	-5,245	-5,344	-4,226	-3,634	-2,841	-2,549	-1,990
	Purchased steam (regarding biomass)	-	-	-	-577	-574	-651	-770	0
	Courier	-70	-74	-72	-62	-61	-37	-33	-34
	Total net emissions	18,468	20,197	21,993	22,415	21,434	5,958	4,356	15,329
	Annual variation	6.00%	9.4%	8.90%	1.9%	-4.40%	-72.2%	-25.90%	251.9%
Intensity	Employees	2,913	3,290	3,682	3,896	3,964	4,092	4,412	4,475
	Net emissions per employee	6.34	6.14	5.97	5.75	5.41	1.46	0.99	3.43

Source: Authors reasearch based on EIB Group statistics regarding emissions (tCO₂e).

Due to their positioning, the European Investment Bank has a very stable financial situation and strong policies. They create conditions for their employees to carry out their daily activities, while being friendly to the environment. They are promoting development, deep collaboration with businesses, governments, communities and stakeholders.

In the second part of the case study, we use Eurostat data, focusing on three of the biggest pillars of the green economy: statistics regarding emissions (tCO₂e), Gross domestic expenditure on research and development plus Stock of general government debt security liabilities issued as 'green bonds'.

The global financial system as an entire is halfway closer to a great trajectory of absolutely innovative, inclusive, sustainable and resilient growth. Countries range drastically in phrases of coverage priorities set in addition to coverage implementation results. Global averages draw a combined picture of the global's trajectory in the direction of innovative, inclusive, sustainable and resilient growth. Digitalization costs throughout superior and growing economies are diverging instead of converging, main to continual economic divides and neglected possibilities for innovation. In high-earning economies, expertise availability is a growing bottleneck to similarly advance innovativeness, even as a possibility for change in offerings from growing economies. (Drahokoupil J. 2020)

Navigating today's unpredictable surroundings calls for agility and adaptability. Countries who are excelling right here generally tend to construct resilient economies consisting of Ireland, Iceland, and Bahrain or their governments are capable of adapting regulations primarily based totally on cutting-edge financial situations in a well timed style consisting of the UAE, Saudi Arabia, Qatar, and Singapore.

Results and discussions

We analyzed the data provided by the EIB Group related to the carbon footprint of the organization across a specific period of time (as shown in Table 1). The year of 2020 stands out, as a result of the pandemic which enabled workers to have a work-from-home setup that continued to be utilized, resulting in positive outcomes.

Many large enterprises worldwide are now making strong efforts to diminish their carbon footprint as part of their corporate sustainability initiatives. These efforts are a result of a large number of factors such as, continuous increase in consumer awareness around the impact of environmental changes, regulatory pressures, and the recognition and emergence of long-term benefits linked to sustainable practices.

Overall, fighting climate change and reducing carbon emissions have become core priorities for many companies and they are taking proactive and positive measures to incorporate sustainable practices in their operations. This is often managed through large corporate sustainable practices, also known as CSR. While progress has been made, the requirement for continued commitment still exists and collective actions will be the key to unlock meaningful steps towards a circular economy transition, reducing carbon footprint and eventually reaching net-zero emissions.

However, with change also come a number of challenges, and in adopting more sustainable and low-carbon practices, these are very diverse. Despite the concerted efforts of various actors, including large corporations, governments, and non-governmental organizations, towards a more sustainable economy.

The implementation of sustainable technologies and practices can be quite costly in the initial stages. This becomes a barrier for some companies, especially for small and medium-sized enterprises.

In some regions or sectors, the infrastructure needed to support sustainable practices, such as renewable energy networks or waste management systems, is still under development or is insufficient. In some areas of a business, there is resistance to change coming from employees, consumers and business stakeholders, who are familiar with more traditional practices and unwilling to adopt new, more sustainable solutions. At times, the lack of clear sustainability regulations or standards can block and slow progress towards a more circular economy or create a level of uncertainty for enterprises who are looking to invest in green technologies and practices. The current global economic system is heavily dependent on a limited number of natural resources, and it is really important to make significant changes in how these resources are obtained, utilized, and managed in order to transition to a more circular and environmentally focused economic model.

At a global level, supply chains are more often than not really complex and interconnected. This can make it difficult to track and manage environmental impact as well as progress in implementing sustainable practices throughout the production chain. Metrics used to track and evaluate the impact of sustainable initiatives can be difficult to define, which in turn can also represent a barrier in monitoring progress towards the translation to a circular economy. Although there are challenges to overcome in the transition to a circular economy, there is also progress and innovation continue to occur globally, as well as consumer awareness and commitment to incorporating sustainable practices into the global economy. This requires a collaborative and coordinated approach, involving players from all aspects of the society so we can reach a greener and more sustainable future.

Economic inequality and consumer behavior in relation to the circular economy can be found to some extent in all countries (Chiara L. 2018), but some European countries may have

lower levels of economic inequality and be more successful in promoting consumer behavior aligned with the principles of the circular economy.

According to the The 2019 Global Competitiveness Report, countries such as Sweden, Denmark, the Netherlands or Finland, although not completely free of problems related to economic inequality or consumer behavior in relation to the circular economy, have demonstrated a strong commitment and a systematic approach to promote more sustainable practices and to encourage a transition to a circular economic model. One of the countries that are best known for their significant efforts in promoting sustainable practices and a circular economy is Sweden.

Although economic inequality also exists in Sweden, its levels are considered relatively low compared to other countries. The Swedish government has successfully adopted proactive measures to encourage innovation and development of circular business models. As well as Sweden, Denmark is also a leader in transitioning to a circular economy. The Danish government has also successfully implemented measures to reduce waste and promote the efficient use of resources. Consumers in the Danish economy are often educated and aware of their environmental impact, which leads them to make more responsible choices and support sustainable products and services. (Noblet et al. 2015)

The Netherlands is also recognized as an innovator in establishing and adopting the practices of circular economy. The Dutch government has invested heavily in innovative recycling solutions and resource reuse projects. As a result, this has encouraged Dutch consumers to be open to adopting sustainable practices and supporting products and services that respect the core principles of a circular economy.

Another example is Finland, where consumers are often engaged in environmental initiatives and educated in their impact, as a result of strong government policies implemented to benefit the community. (The Global Competitiveness Report, 2019)

In contrast to those mentioned, the ratio of inequality and economic behavior with the circular economy may vary depending on the country and socio-economic context in Europe. According to The 2019 Global Competitiveness Report, European countries facing challenges in adopting the circular economy are Romania (the authors' native country, which is of interest in the following study), Bulgaria, Greece and Hungary.

All these examples illustrate the impact of economic inequality on consumer behavior as well as on the adoption of a circular economy in various European countries. In order for the transition to be successful, public-private partnerships are important to address economic inequality and develop initiatives that are accessible and inclusive for all citizens.

For the present study (Table 2 and Figure 1), the authors propose the selection of data for: the Euro Zone, the European Union (which represents the average of Europe), the leaders in development and innovation, i.e. the Netherlands, Denmark, Finland, Belgium, Sweden and for the antithesis, Romania.

Table 2. Gross domestic expenditure on research and development (% from GDP)

Areas of interest	2015	2016	2017	2018	2019	2020	2021	2022
European Union - 27 countries (from 2020)	2.12	2.12	2.15	2.18	2.22	2.30	2.27	2.24
Euro area – 20 countries	2.13	2.14	2.18	2.21	2.25	2.33	2.30	2.27
Romania	0.49	0.49	0.51	0.50	0.48	0.47	0.47	0.46
Netherlands	2.15	2.15	2.18	2.14	2.18	2.32	2.27	2.30
Denmark	3.05	3.09	2.93	2.97	2.94	2.97	2.76	2.89
Finland	2.87	2.72	2.73	2.76	2.80	2.91	2.99	2.95
Belgium	2.43	2.52	2.67	2.86	3.16	3.40	3.43	3.43
Sweden	3.22	3.25	3.36	3.32	3.39	3.49	3.40	3.40

Source: Author's research based on Eurostat data.

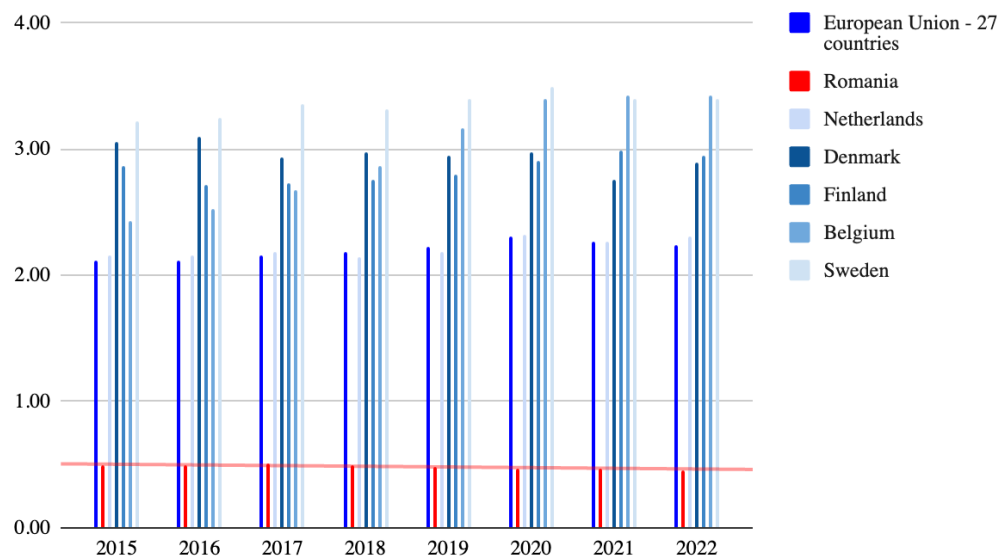


Figure 1. Gross domestic expenditure on research and development (% of GDP)

Source: Author's research based on Eurostat data.

The difference in the percentages granted is noticeable, highlighting the low percentage of funds granted to research and development by Romania.

According to the European Commission, the European average in 2022 for the average share of GDP allocated to the environment is 0.8%. We can distinguish the difference between Romania and the top countries that make large investments in this area.

It should be mentioned that according to the Global Competitiveness Report for 2019, all these countries have leading positions in reducing income inequality.

For the next study, we consider Table 3, regarding the stock of the same selection of countries and EU as an average, of Green bonds. These are financial instruments designed to support a positive impact on the environment.

Green Bonds are similar to standard bonds, but the difference is that the money from the sale of these green bonds is intended exclusively for ecological and sustainable projects. They can finance the development of renewable energy, energy efficiency, ecological public and private

transport, conservation of natural resources, etc. Their issuance is possible through national governments, municipalities, financial institutions, private companies and international organizations. They are a way to mobilize capital for investment in projects with a positive environmental impact and to promote the transition to a more sustainable economy.

A country that uses green bonds as a financing tool for sustainable projects is, for example, Sweden. Sweden has issued green bonds in order to sustain projects that reduce greenhouse gas emissions and promote the use of renewable energy. Other countries, (in which we will use case examples in our studies) such as France, Netherlands, Germany and Poland, have also issued green bonds to support similar projects.

Also, other countries (taking into account the member states of the European Union) use green bonds as part of their strategies to finance sustainable projects and combat climate change. The usage of green bonds is increasing nowadays as investors and governments recognize more and more the importance of mobilizing capital for projects that can promote sustainable development and environmental protection.

Table 3: Stock of general government debt security liabilities issued as 'green bonds'

Areas of interest	2019	2020	2021	2022
European Union - 27 countries (from 2020)	84,949	130,192	202,717	266,673
Euro area – 20 countries (from 2023)	81,199	122,785	194,959	255,378
Romania	0	0	0	0
Netherlands	10,708	10,708	10,708	15,690
Denmark	0	0	0	16,240
Finland	0	0	0	0
Belgium	9,386	13,236	16,200	22,151
Sweden	0	20,000	20,000	20,000

Source: Author's research based on Eurostat data.

Although Romania does not have Green bonds, despite the challenges, there is an initiative to correct environmental protection practices. (Table 4)

Table 4. Environmental tax revenues (in Mil. Eur)

Total environmental taxes in Million Eur.	2015	2016	2017	2018	2019	2020	2021	2022
European Union - 27 countries (from 2020)	300,020	311,235	317,644	325,790	331,207	301,734	329,721	320,824
Romania	3,952	4,085	3,640	4,034	4,732	4,196	5,299	7,675
Netherlands	22,925	23,754	24,635	25,877	27,570	25,366	26,526	22,756
Denmark	10,847	11,065	10,808	10,933	10,221	9,892	9,704	9,274
Finland	6,118	6,709	6,693	6,848	6,730	6,487	6,289	6,529
Belgium	10,618	11,469	11,997	12,423	12,628	11,588	12,550	12,286
Sweden	9,801	10,341	10,150	9,814	9,779	9,618	10,218	10,765

Source: Author's research based on Eurostat data.

Transitioning to a circular economy requires adequate infrastructure and resources, especially in areas like recycling, recovery of materials and waste as well as collection.

In some regions of Romania, the infrastructure for waste management is underdeveloped or insufficient, which makes it difficult to implement circular practices. Consumer behavior is often influenced by the level of awareness and education. In Romania, there is a pressing need to raise awareness of the importance of sustainable practices and circular economy as well as its benefits. There is a really big gap and education through awareness campaigns can play a key role in changing consumer behavior and promoting sustainable practices.

Shifting to a circular economy model also requires a change in consumer behavior, government policies as well as in the operational processes for companies. Resistance to change, from both consumers, businesses and government, can slow the transition.

By addressing changes in all these areas, Romania can also make progress towards a more sustainable economic model.

Conclusions and recommendations

Challenges and opportunities associated with the transition to a more sustainable economy in countries like Romania, there are several important conclusions and recommendations. First of all, starting with education that can raise awareness and educate the young minds, future consumers, on the importance of sustainable practices. Information campaigns should target all aspects of the society and heavily promote sustainable consumption choices and a greener consumer behavior.

The adoption of circular economy practices faces several barriers, but there are also recommendations for overcoming them. As we saw, developed countries should be an example that other countries should adapt to their own. Where the consumer lacks in understanding, education and awareness should come in and adjust this gap, governments, businesses and NGOs can use it as an opportunity and collaborate in education through seminars, educational campaigns, in order to achieve better green practices from individuals and adjust their behavior.

The second part of the study we identified in the example of the less developed country, where market failures, regulatory obstacles, and cultural norms affect the overall performance. Recognizing and addressing these challenges is essential for realizing the full potential of the circular economy.

Government and the private sector should encourage innovation and investments in green technologies. Tax incentives and financial support for projects would be helpful and will have a positive impact on the environment. Another matter is the development and upgrading of the existing infrastructure to support these sustainable practices, and the main areas would be: public transport, waste management, renewable energy and energy efficiency in buildings. The importance of adopting policies that facilitate and support the transition to a circular economy should also be outlined. These can include strengthening environmental standards, taxes and penalties for pollution and support for green and innovative industries.

Businesses and policies must navigate market dynamics, technological innovations, and regulatory frameworks to integrate circular principles into their operations effectively. Policymakers must prioritize social equity in the design and implementation of circular economy policies, ensuring that marginalized communities benefit from its advantages. Education and awareness campaigns can foster behavioral changes, encouraging individuals to embrace sustainable consumption patterns and participate in circular initiatives. It is also necessary to familiarize the individual with such environmental problems and this is only possible through education. (Borchers et al. 2007).

Promoting collaboration between governments, private sector and educational institutions is also important to identify and implement sustainable solutions and best practices. For fairer distribution of prosperity economic policies have to be oriented towards supporting equitable growth and social inclusion. Only by developing effective systems for monitoring and reporting progress in implementing sustainable practices and reducing carbon emissions, can the impact be assessed and strategies and policies adjusted as necessary.

Romania should strengthen collaborations and partnerships at international level to share experiences, know-how and practices. Only by sustainable practices and facilitating innovation and collaboration, there can be a transition to a greener and more resilient economy that ensures long-term prosperity.

We propose a future study to continue to analyze the impact of circular economy practices on inequality, especially in terms of access to resources, employment opportunities and environmental justice. Circular economy is a step in the pathway of environmental sustainability and it must be followed, and in the meantime address the issues of inequality and economic behavior.

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