

Creating a Taxonomy of Conflicts Arising Towards Transiting to Circular Economy Within Fashion Industry

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Abstract : The transition of the global fashion industry to a Circular Economy (CE) represents a multifaceted and intricate process shaped by the interconnected social, cultural, environmental, and economic factors that underpin the sector. While existing literature frequently emphasizes technological innovations and the implementation of circular business models as essential components of CE transitions, there remains a significant gap in understanding the critical role that stakeholder collaboration plays within interdisciplinary frameworks. This study seeks to address this gap by examining the conflicts that emerge among key stakeholders. These (often overlooked) conflicts have the potential to reshape the dynamics of the sustainability journey, influencing how stakeholders engage and work together. Based on this argument, the study explores how these conflicts impact the effectiveness and overall success of CE initiatives within the fashion industry. By utilizing stakeholder mapping and system dynamics, the research creates a comprehensive taxonomy of conflicts. It identifies crucial inflection points where these conflicts either accelerate or hinder the trajectory of CE initiatives. The study adopts a mixed-methods approach, combining an extensive literature review with a case study methodology. The case study is derived from a living lab environment, which has been specifically designed to facilitate collaboration among various stakeholders involved in testing and experimenting with CE initiatives, particularly in the context of clothing reuse and secondhand use. The research employs in-depth interviews with stakeholders participating in the living lab, gathering qualitative data that provides valuable insights into the dynamics and challenges inherent in these collaborative efforts. A detailed analysis of the underlying project dynamics, supported by the interview data, enabled the mapping of stakeholders and the development of a taxonomy of these conflicts. Through the integration of system dynamics and stakeholder mapping, the study concludes with the examination of the complex relationships between stakeholders and their interactions within collaborative settings and creates a taxonomy of conflicts. Lastly, the findings emphasize that effectively navigating and resolving stakeholder conflicts is critical for optimizing the pace, direction, and scalability of CE initiatives for long-term outcomes within the fashion sector.

Keywords : circular economy, taxonomy of conflicts, transition, fashion industry, co-innovation

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