

**The Effectiveness of  
Circular Economy (CE)  
Governance: an  
International  
Comparative Study**

**Jacqueline Cramer  
Holland Circular  
Hotspot**



The worldwide use of natural resources is growing at an alarming speed. If we maintain our present consumption and production patterns, we will need three Earths by the year 2050. The circular economy can bend this curve: it closes the loops of products, materials and resources, yielding the lowest possible environmental impacts, while using renewable energy sources and safeguarding the planet's biodiversity.

In this book, Jacqueline Cramer shows how network governance can power the circular economy. Network governance is about building a coalition of partners, which all fulfill a specific function in the network and are aligned by so-called transition brokers. By complementing conventional, public governance with this new form of governance, the best of both worlds is created. Network governance strengthens the positive forces in society and increases the support for circular economy.

Cramer shares her huge experience in implementing numerous circular initiatives in the Netherlands. As a practitioner and scholar, she has identified ten guiding principles for building circular initiatives, based on network governance. These guidelines can support everyone that wants to start or expedite a circular initiative.

Jacqueline Cramer is a member of the Amsterdam Economic Board, where she is actively engaged in circular economy initiatives. She is also a professor emeritus of sustainable innovation at Utrecht University. From 2007 to 2010, she was the Dutch Minister of Housing, Spatial Planning and the Environment. She holds numerous managerial positions, among which supervisory board chair of Holland Circular Hotspot and chair of the Dutch Concrete Agreement.



How Network Governance Powers the Circular Economy

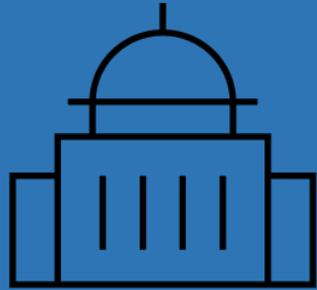
Jacqueline Cramer

# How Network Governance Powers the Circular Economy

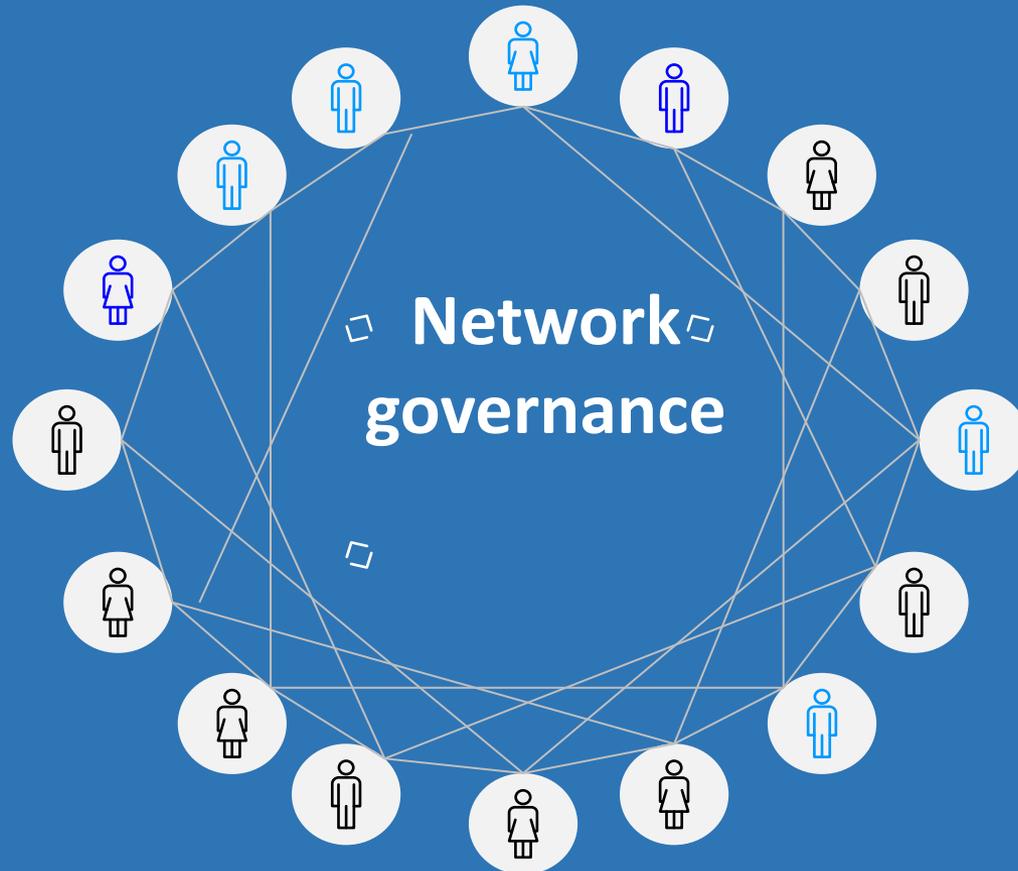
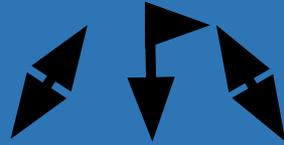
## Ten Guiding Principles for Building a Circular Economy, Based on Dutch Experiences

Digital download  
[www.amsterdameconomicboard](http://www.amsterdameconomicboard)





# Public governance



# International comparative study on CE governance

- **Central question: If and how can the concurrent application of both network governance and public governance lead to effective implementation of CE?**
- To answer this question, the current public governance, the involvement of relevant actors and the receptivity to network governance in view of the particular socio-cultural and political context has been studied in 16 countries worldwide.
- **The study is based on interviews with the Circular Hotspot or comparable organisation in each country**

Involvement of industry, local government, NGOs, citizens

Public governance

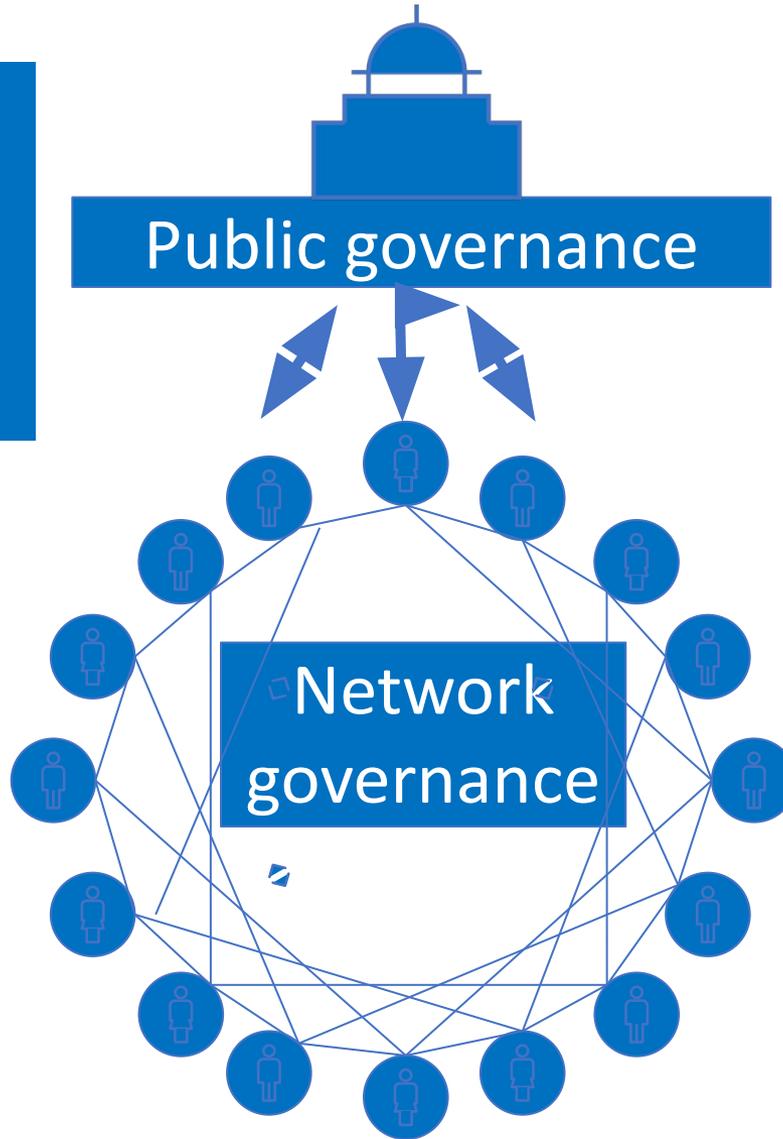
Governmental Leadership

Drivers and Challenges

Network governance

Receptivity to Network Governance

Governance of circular economy in different contexts



# Receptivity of network governance, specified by seven cultural dimensions

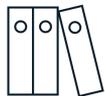
- 1** Antagonistic society Consensus oriented society
- 2** Autocratic government Pluralistic government
- 3** Short-term oriented Long-term oriented
- 4** Media controlled by state Freedom of speech
- 5** Centralized government Decentralized government
- 6** Dominant role of state in economy Limited role of state
- 7** Individual interests prevail Collective interests prevail

# Drivers and challenges for effective implementation of circular economy



## Drivers for network governance

1. **Structured, goal-oriented approach to implement network governance (comparable to Dutch experiences)**
2. **Additional drivers**
  - Market pressure through supranational policies
  - International companies committed to promote CE worldwide
  - Positive attitude of civil society towards CE
  - Financial support for strengthening CE skills, knowledge, platform facilities and business development

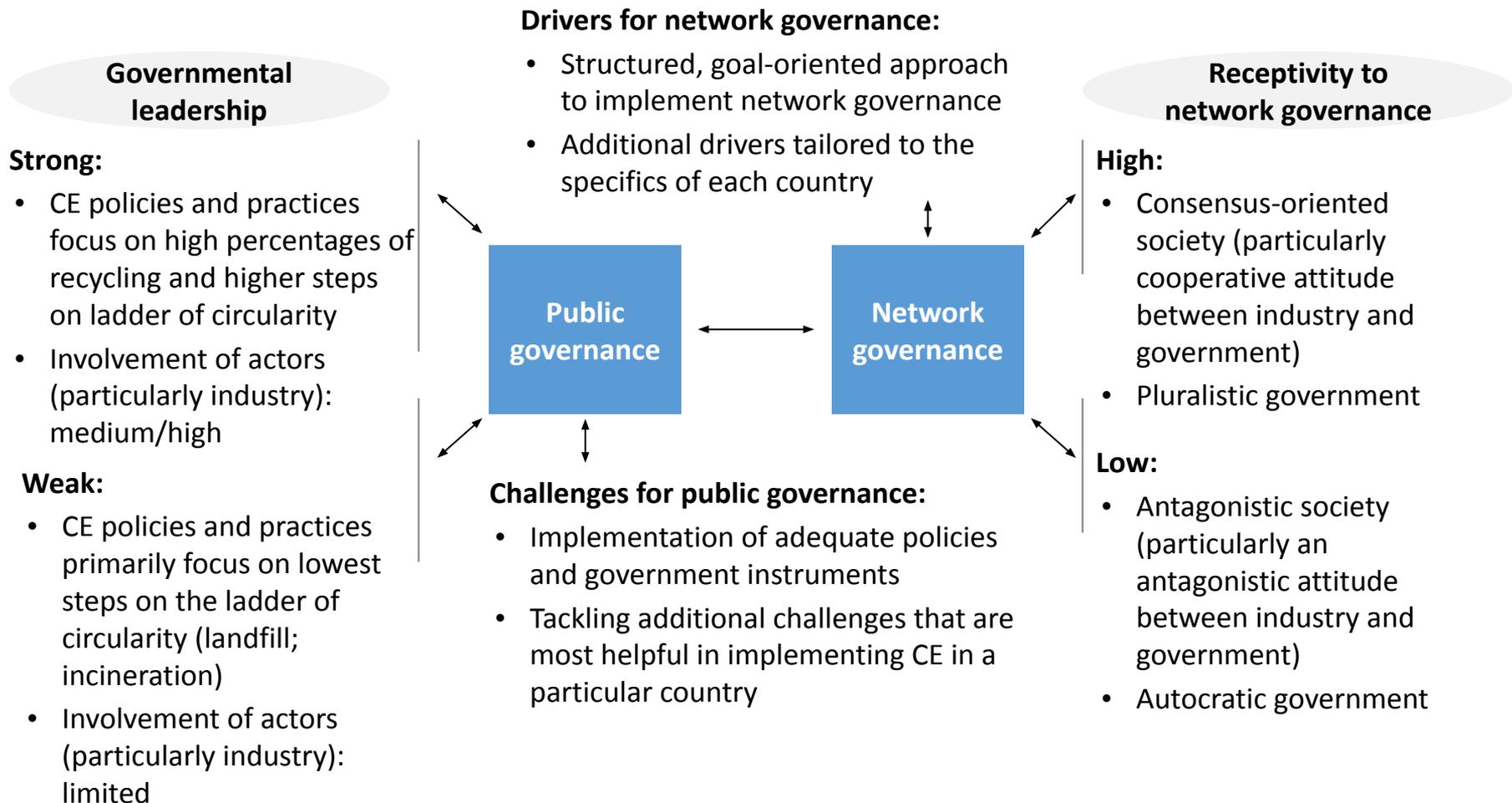


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## Challenges for public governance

1. **Implementation of adequate policies and government instruments**
2. **Additional challenges**
  - Silo mentality in government
  - Short-term orientation of government
  - Exclusion of external costs in the price of products
  - Reluctance to build public-private partnerships
  - .....

# Effectiveness of CE governance



# Avenues for developing circular economy in different contexts

## Starting point

## Prospects for developing CE

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Government CE leadership: **strong**  
Involvement industry: **high**  
Network governance: **medium/high**

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**Conditions for starting and accelerating are favourable**, but several obstacles should be removed

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Government CE leadership: **limited**  
Involvement industry: **medium/high**  
Network governance: **medium/high**

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**Starting is relatively easy.** Pro-active companies can start CE, but acceleration requires mobilisation of additional drivers and actors.

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Government CE leadership: **strong**  
Involvement industry: **low**  
Network governance: **low**

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**Starting CE is relatively easy.** Government can implement policies and tackle additional challenges, but acceleration requires support of actors.

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Government CE leadership: **limited**  
Involvement industry: **low**  
Network governance: **low**

**Starting CE is complicated;** kick-off possible via first movers in industry (and others), but mobilisation of additional drivers and actors is crucial.

# Transition brokers help to create the system change from a linear to a circular economy from a neutral position



**How do they do that?** Transition brokers focus on building and upscaling qualitatively high value and scalable circular initiatives that frontrunners want to take. Individual actors can often not realise such initiatives alone as it requires cooperation between partners to make the system change.



**Which role do they fulfill?** Transition brokers help to create the necessary preconditions, to align partners and to make sure that impactful, circular initiatives can jointly be taken and made visible.

Appendices (only used in case the participants ask for more explanation)

# *Structured, goal-oriented approach*

## Ten guiding principles for building a circular economy through network governance

### *Sparking the transition to a circular economy*

**Guiding principle 1:** The circular initiative starts with a shared sense of urgency

**Guiding principle 2:** The implementation of circular initiatives occurs in four sequential yet cyclic phases (preparing the initiative, building a joint business-case, scaling up successful initiatives and mainstreaming these initiatives)

**Guiding principle 3:** Tasks to be performed for each circular initiative are roughly the same, but the focus is case-specific

**Guiding principle 4:** Building a circular economy is a journey with a clear destination, but no predetermined path.

### *Context is key*

**Guiding principle 5:** Focus on the most promising innovations

**Guiding principle 6:** Map the key drivers and preconditions for successful implementation

**Guiding principle 7:** Identify the relevant actors and assess their willingness to join forces

### *Successful implementation*

**Guiding principle 8:** New circular business models should benefit all network partners

**Guiding principle 9:** Intermediaries ('transition brokers') can accelerate circular initiatives

**Guiding principle 10:** A transparent division of labour among the relevant actors is indispensable

# Competencies of transition brokers



To be entrepreneurial, dare to leave your comfort zone, persevere, be impatient and be willing to follow up with contacts

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To excite and inspire others to cooperate

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To think and act from a systems perspective but at the same time to be pragmatic

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To get the idea of CE accepted in a variety of businesses and organisations, translate the desired actions into the language of other organisations and do not appear threatening

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To act in the collective interest and be professional enough to stand above the parties

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To have a very broad knowledge base in circular economy innovations, the business environment and political culture

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To be able to open doors at all policy levels to remove barriers that need to be solved by governments

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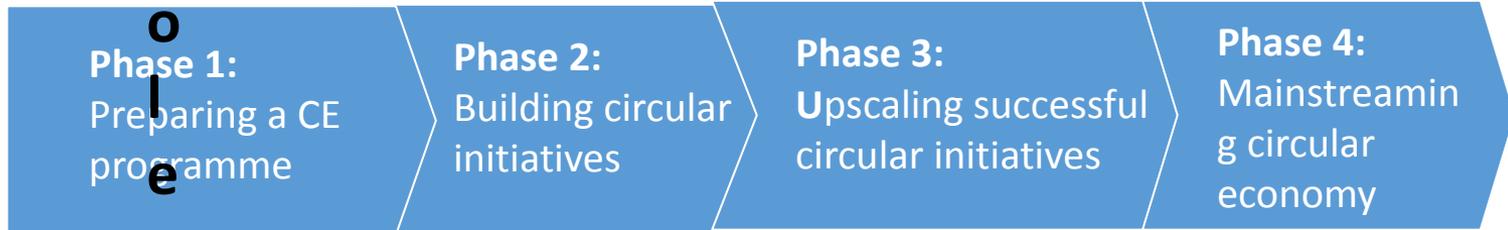
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- Initiator and designer of the programme
- Negotiator to get the programme accepted by parties

- Business context developer
- Business connector of new, innovative business chains
- Inspirer
- Knowledge broker
- Matchmaker
- Facilitator of creating necessary preconditions
- Moderator of co-creation meetings
- Supercharger of circular community /platform and of

- Communicator
- Inspirer
- Negotiator to promote successful examples
- Knowledge broker
- Matchmaker to enhance further renewal of specific product chains
- Linking pin between regional practice and national policy

- This phase has not started yet