



The social impacts of the Circular Economy in the Global South: Circularity strategies and shared value creation in fashion social enterprises



Master's Thesis – Sustainable Business and Innovation

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Abstract

The current fashion industry, based on linear business approaches, is known for being broken and causing environmental harm and social scandals, especially in the Global South. The Circular Economy (CE) concept is much-heralded among policy-makers, scholars and industry professionals as a promising pathway towards a more sustainable state in the apparel sector. Nevertheless, until now, research combining CE to social business approaches in the fashion industry is lacking, and thus it remains vague in which way fashion business models could create value for people, planet and profit.

This research was based on a deductively and inductively created framework including the typology of three different SE business models by Alter (2007), circular practices in the fashion industry and existing literature on shared value creation including 12 social value type indicators and 7 brand value type indicators. The framework was applied on different circular fashion brands using one of the three SE business models selected for this research: embedded (being a SE in the Global South), integrated (being a brand based in the Global North and producing with a SE in the Global South) and external (being a brand based in the Global North and funding a social initiative in the Global South). The aim was firstly to assess which circular strategies are adopted by these different SE business models and secondly to analyze what types of value can be created for people in the Global South as well as for the brands themselves by applying these SE business approaches.

Considering the circular strategies, the results show that the embedded SE business model uses mostly upcycling, the integrated SE business model recycling and upcycling, and the external SE business model only recycling. Regarding the shared value creation, all three SE Business models create significant value for the people in the Global South. In contrast, for the brand value types, only the embedded and integrated SE business model achieved substantial results. The most crucial finding reveals that circularity is linked to different meanings and motivations in the Global North than in the Global South. In fact, the embedded SE business model considers the social aspects behind circular fashion, but not the environmental ones. Nevertheless, the findings clearly show that it is possible to include environmental as well as social aspects into fashion business models without depriving financial outcome. This preliminarily suggests that if CE is adequately understood and applied to social business models, the concept can fulfil its purpose as a convincing paradigm to offer system-level change and open new opportunities for the apparel sector.



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“There is no beauty in the finest cloth if it makes hunger and unhappiness”

- *Mahatma Gandhi*



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Acronyms

CE	Circular Economy
SE	Social Enterprise
BM	Business Model
SCV	Shared value creation

Colour Code

	Embedded SE business model
	Integrated SE business model
	External SE business model

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1. Introduction

1.1 Background

The fashion industry is one of the fastest-growing industries in the world, worth over 3 trillion dollars and one of the largest employers in the world with over 300 million people all around the globe working in this industry (Bhardwaj & Fairhurst, 2010; Global fashion industry statistics, 2019; Ellen MacArthur Foundation, 2019). The growth and complexity of the fashion industry was enabled mainly due to globalization as, especially since 1980, fashion brands from the Global North started outsourcing production to low wage countries in the Global South with lax governmental regulations (Aßländer et al., 2016). The off-shoring of production has made it possible to produce clothing at increasingly lower prices and in increased quantities (Perry & Wood, 2018), giving birth to the concept of “fast fashion” based on linear ‘take, make, and dispose’ business models (Pal & Gander, 2018).

Today, it is widely known that these short-term and wealth-driven business approaches are broken (Fisk, 2010). Various environmental issues such as the use of chemicals, environmental degradation and water pollution are linked to the textile industry; positioning it as the second biggest polluting industry in the world (Yao & Zhang, 2018). Social issues such as low wages, child labour or the violation of labour legislation are connected to this industry as well (Hewei, 2014; Pederson, 2018). Especially in low-income countries in the Global South where most garments are produced (Smith, 1996), poor social conditions lead to some of the worst ever industrial incidents (Portway, 2019) e.g. the Rana Plaza collapse in Bangladesh in 2013. Accumulating scandals have recently led to increased awareness and concern of all kinds of stakeholders, putting pressure on the apparel industry to improve social and environmental sustainability and to start focusing on solutions (Kozłowski et al. 2012).

The concept of Circular Economy (CE) has recently gained recognition as a solution to tackle the aforementioned fashion industry issues (Suárez-Eiroa et al., 2019; Schroeder et al., 2019; Millar et al., 2019) by aiming to align all three pillars of sustainability: people, profit and planet. CE is defined as a regenerative system in which resource input and waste, emissions, and energy leakage are minimized by slowing, closing, and narrowing material and energy loops (UNFCCC, 2019). In the fashion context, CE is usually achieved by designing long-lasting and timeless pieces and by integrating approaches to extend their lifetime (Pal, 2017; Niinimäki, 2017). This can be done by reusing, recycling and up-cycling materials in order to design out waste and pollution, keep products and materials in use and regenerate natural



systems. According to the Ellen MacArthur Foundation (2019), these CE approaches could play a significant role in steering the fashion industry towards sustainability and will be described further in the literature review.

Social initiatives such as social enterprise (SE) business models seem to be crucial for CE to fulfil its role of being a paradigm for sustainability as they focus not only on reducing environmental impact but have social impact as part of the core business as well (Moreau et al., 2017; Social Circular Economy, 2017; Lane & Gumley, 2018). SE can be defined as “A business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profits for shareholders” (Department of trade and industry, 2002,p.8). Especially in developing countries where social actions e.g. poverty reduction are the most needed (Smith & Barr, 2007), fashion brands adapting a business model such as being, producing with or funding a SE in the Global South can have a significant impact (Stratan, 2017). The value created for people who are part of a SE program can lead in return to added value also for the organization or company that put these social programs in place as explained by the shared value creation (SVC) theory by Porter &Kramer (Porter & Kramer, 2011).

1.2 Research Gap

This research identifies five research gaps. First, the lack of literature on business models linking circularity and social sustainability (SS) aspects. In fact, most CE practitioners highlight in their business models the importance of resource and waste circularity, but do not describe or give exact details in which way social dimensions can be integrated. Likewise, literature on social enterprise business models, having social dimensions as the main mission, is lacking the circularity aspects. Thus, it remains vague in which way circular businesses could create positive social impacts. Second, regarding the fashion industry in general, social impacts have mainly been assessed in a quantitative way e.g. the number of job creation, but there is a lack of qualitative findings presenting the impacts that fashion brands could have on the people and communities in the global south they work with e.g. empowerment, quality of life.

Third, even though scholars acknowledge the fact that SE business models aiming for SVC may have a positive impact on the communities they work with and lead to competitive advantage for themselves as a company, the SCV concept suffers from some shortcomings (Dembek et al.,2016). In fact, the theory is often criticized for being naïve about business compliance and a shallow conception as no clear framework with specific value types allowing to analyze the exact types of shared value that circular fashion companies can create for their workers and for themselves by implementing different SE business model types exists (Crane et al, 2014).



Fourth, CSV theory has traditionally been predominantly developed around large fashion corporations (Dembek et al., 2016) but research on SMEs, which represent about 95 percent of the businesses worldwide, is currently lacking and thus it is essential to study them further (Jenkins, 2004). Fifth, there is a lack of literature revealing how the concept of circular fashion, considered as largely known and developed in the Global-North, is integrated and perceived into social business models operating in the Global South (Barkemeyer, 2011).

1.3 Aim and Research Question

Against this background, the objective of the proposed research is to address the academic gaps previously mentioned. The research will be based on the three different SE business models by Alter (2007) which are namely: embedded (being a SE in the Global South), integrated (producing with a SE in the Global South) and external (funding a social initiative in the Global South). The aim is firstly to analyze in which way circularity is integrated into these three different SE business models applied by SME circular fashion brands, and secondly to identify the SCV and thus different value types that these BMs can create for workers, families and/or communities in the Global South on the one hand and the company itself on the other hand. As explained further on in the literature review section, it is expected that the SVC created will likely be different for the three different SE business models (Alter, 2007). The research will be guided by the two following questions:

RQ1) In which way is CE integrated within different SE business models in the circular fashion industry?

RQ2) What types of value do these different SE business models create for people in the Global South and for the circular fashion brands themselves?

By answering these questions, the research has the intention to clarify what the impact of different SE business models is in tackling social challenges, which approaches are adopted to link circularity into these business and thus how the concept of CE can serve as a convincing paradigm to enhance environmental as well as social sustainability in the fashion industry.

1.4 Relevance

From a scientific point of view, the research is relevant as it could help to validate and or expand existing literature on SE business models, SVC theory and the perception of circularity in the fashion industry. The framework that is created for this research, presented later on in the framework section, is merging different existing literatures on SVC, SS dimensions and SE



business models could be of use for further research. From a practitioner point of view, the outcome could be relevant for fashion companies in getting a clear overview on the different types of value that can be created not only for their workers but also for themselves by applying a certain SE business model. Such a clear overview could on the one side facilitate the choice of the fashion companies which SE business model to incorporate and could on the other side increase in general the interest in incorporating SS practices. From a society point of view, the research is relevant as it could help to clarify in which way the fashion industry, being the second biggest employer in the world with most garment workers located in the Global South, could shift towards a more sustainable state and thus change the lives of many for the better (Smith & Barr, 2007).

1.5 Research lay-out

This research is structured into 7 chapters: Chapter 1 consists of an introduction based on a general review of the main concepts and issues about the current fashion industry and the state of CE and SE, as well as the literature gap and consequently the purpose and questions for this research. Chapter 2 represents the literature review focusing on existing theories regarding CE, SS, SE and SVC. Chapter 3 describes the main definitions and theories used to establish the analytical framework and presents the propositions retrieved from the theories that this research aims to deny or approve. Chapter 4 corresponds to the methodology and research design. Firstly, the selected circular brands participating in the research will be presented, secondly an in depth explanation will be given about the techniques used to collect and sample data, as well as, the procedures used to analyse the gathered information. Chapter 5 illustrates the results of the research, where firstly the integration and understanding of CE within the SE business models will be explained and secondly the value types created by each SE business model presented. Chapter 6 consists of the discussion where the results will be related to the research questions, previous research, and the propositions made. Chapter 7 presents the conclusion of this research paper.

2. Literature Review

In this section, a review of the most relevant theories and approaches related to the research topics is carried out. The most relevant theories will be used and linked with each other into an analytical framework which will be presented in section 3.



2.1 Circular Economy

2.1.1 The Concept

The roots of the concept of 'circular economy' go back to classical political economists (e.g. Ricardo, Smith, Quesnay) who saw the system of production and consumption as a circular process which stands in striking contrast to the view presented by modern theory representing a one way avenue (Sraffa, 1960). Others cite Kenneth Boulding's 1966 paper 'The economics of the coming spaceship earth' as he was the first one claiming the need for a "closed economy", where the outputs that result from consumption would be used as inputs again for production (Boulding, 2017). More recently the work of Turner and Pearce (1993) further elaborated on this idea and labelled it the 'Circular economy' initiative representing a way of approaching economic activities in regard to the human relation to the environment. Moving beyond strict adherence to neoclassical economic precepts, today, CE emerged into a combination of different schools and theories e.g. industrial ecology and cradle-to-cradle, industrial ecology, performance economy, regenerative design and even biomimicry (Homrich et al. 2018). It is a widely recognized concept among scholars and practitioners and an increased number of companies recognize CE as a promising approach to change linear business models (Suárez-Eiroa et al., 2019; Schroeder et al., 2019; Millar et al., 2019). CE has been described as "an industrial economy that is restorative or regenerative by intention and design" by the Ellen MacArthur Foundation (2017, p.22), which has been championing the concept globally since 2010. Nevertheless, there are many other competing CE definitions (Kirchherr et al., 2017). Throughout this paper CE is defined as an economic system that is based on business models which replace the "end-of-life" concept with practices like reducing, alternatively reusing, recycling and recovering materials (Kirchherr et al., 2017; Henry et al. 2020).

2.1.2 Circular Economy in the Fashion Industry

Regarding the fashion industry, CE has gained momentum to be a paradigm to tackle the linear fashion industry issues by knitting the following principles: *Reuse*, *upcycle* and *recycle* (fig.1) into the core business model in order to create pieces with the longest extended lifetime possible (Farrant et al., 2010; Sung, 2015). A fashion brand can integrate the *reusing* principle by selling vintage and second-hand clothes. In this case the item stays in its original state e.g. selling vintage leather bags (Laitala & Klepp, 2017). *Upcycling* refers to the use of waste materials to generate new goods of equal or higher perceived value than the original products e.g. old curtains cut and sewn into a new skirt (Dissanayake & Sinha, 2015). For this option,



the old fabric is used without being broken down into its raw materials in order to form something new. *Recycling* is based on converting materials from existing products to create different products. It involves chemical altering and/or heat and is considered as the most time and energy consuming option e.g. Adidas developing sneakers using plastic waste recovered from oceans (Todeschini et al., 2017). Here the essential form or nature of waste will be changed and broken down to their raw materials to create new items. The different circular principles (*fig.1*) will be used in the theoretical framework in section 2.5 and will contribute to answer the first research question.

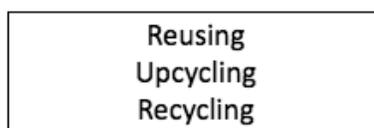


Figure 1: Different circular principles in the fashion industry

Since 2013, research numbers on CE linked to fashion has more than doubled annually (Homrich et al., 2018) and an increased number of circular fashion brand pioneers like Nudie Jeans or Mud jeans (Guldmann, 2014) and initiatives such as the Ellen MacArthur Foundation (2017) are putting high hopes on CE for steering the fashion industry toward a more sustainable state. In fact, by implementing CE practices, 95% of textiles supposed to be landfilled could be reintegrated into the fashion industry (Wang, 2006; Kazakevičiūtė et al., 2008) which could unlock an up to USD 160 billion economic opportunity and reduce the annual use of 98 million tonnes of non-renewable resources [oil, fertilizers, chemicals], 93 billion cubic meters of water (Stenton,2018) and production of 1.2 billion tonnes of CO₂ (Kristjónsdóttir, 2019).

The environmental opportunities that CE could unlock in the fashion industry are widely considered and understood, a downside linked to the concept is the lack of SS considerations. Less than 10 % of the definitions and academic papers on CE mention social aspects (Kirchherr et al., 2017;Rizos et al.,2017) and, if considered at all, the focus is mainly on quantitative but not qualitative parameters (Rizos et al., 2017; E. H. E. R. O., 2017;Kurapatskie & Darnall, 2013). Most academic papers on circular fashion focus on textile reuse, recycling and avoiding production (Sandin & Peters; Niinimäki &Hassi,2011). Even though some research has been conducted also on the social side regarding job creation (Friends of the Earth ,2010), supply chains (Bubicz et al.,2019) or social management tools (Asif et al., 2019;Llach et al., 2015), attempts to define how CE will lead to greater qualitative social impacts for the garment workers and their communities in the Global South remains unexplored. The lack of social integration seems to be linked to the characteristics of the current CE business models which



only rarely have SS aspects included (Mentink, 2014). Nevertheless, raising the quality and diversity of human work, promoting individual skill sets and active participation are essential to further develop and integrate CE into businesses (Social Circular Economy, 2017; Lane & Gumley, 2018). Only if social approaches are properly defined and actively included, CE can fulfil its purpose to offer system-level change and open new opportunities for the apparel sector (McQuilten, 2017).

2.1.3 Circular Economy in the Global South

While CE is considered as a ‘new’ and ‘innovative’ way to tackle the linear economy and to reduce waste in the Global North, literature focusing on CE in developing countries reveals this concept actually dates back much longer than the current use of the notion and that circular practices are deeply knitted into countries from the Global South (Reike et al. 2018). After all, circularity, in traditional hunter-gatherer, agricultural and pastoral societies, has existed for much of humankind's presence on planet earth and still exists in many parts of the Global South today (Friant et al., 2020). Especially in poor areas or indigenous communities in the Global South circularity is considered as part of century old traditions and circular practices are integrated into their health, education, agriculture and natural resource management leading to sustainable livelihoods and communities living in balance with nature (Giampietro, 2019).

Nevertheless, some research on the other side claims that circularity seems to be a less understood concept in the Global South and that most initiatives towards sustainable and circular practices are taken by countries from the Global North as insights on recycling and recovery waste in developing countries are difficult to obtain and little aggregate information exists (Diaz, 2017). Diaz explains that the reason why CE activities in developing countries are so low is a lack of national waste management policies, rules and regulations, insufficient funds dedicated to CE, and the absence of expertise and education at all levels.

More recent literature shed light on these inconsistencies in the literature about CE in the Global South by revealing that in fact CE represents different visions and concepts in different parts of the world. Schröder (2019) analyzed existing narratives and pathways of the circular economy in the Global North and South and looked at how they differ and even conflict with each other, making them in some circumstances difficult to compare. In the Global North CE is primarily considered as an initiative to reduce carbon emissions and waste. Whereas in the Global South, the focus is on meeting needs of poor communities and improving well-being while minimising harm to others and the environment. Several scholars have attended to point out the characteristics of CE in a global context. Friant (2020) classifies 72 different CE-related



concepts and meanings in the Global North and Global South leading to a typology of circularity discourses that classifies circularity visions according to their position on fundamental social, technological, political and ecological issues. Schröder (2019) claims that the different interpretations of CE root in the different dynamics and politics of relationships between governments, businesses and people in the North vs. in the South, all of which are implicated in every aspect of CE.

Furthermore, most of the literature analyzing CE in the Global South examines circularity in the form of recycling and focuses on informal waste pickers and recyclers (Gall et al., 2020). Only few studies have sought to understand the actual impact that circular practices other than recycling e.g. up-cycling or reusing could have on societies in the Global South. Especially research regarding the integration and perception of different circular practices in the fashion industry in the Global South is lacking. In fact, Khare et al. (2010) claims that local clothing brands in emergent economies in the Global South focus on design and consumption, but not on the devastating impact of increasing consumption and circularity. Kumar et al. (2009) who analyzed the Indian fashion consumer demand found similar results showing that new generations aspire to purchase newly produced clothes as they represent wealth and a social status. According to them, circular fashion seems not to be a demand in countries in the Global South. This research aims to further analyze these statements and will use them to define the first proposition which will be presented in section 2.3.

If CE holds the promise of creating new jobs and livelihoods, while also reducing environmental degradation, then the question remains as to who exactly will benefit from these opportunities in the Global South and what role circular fashion can play in achieving these goals. Schröder (2019) claims that CE has the potential to uplift marginalised populations (women, indigenous people, etc.), ameliorate existing patterns of inequality and could offer inspiration for new development models that support economic and social objectives in the Global South. It can be stated that currently a lack of studies exists exploring in which way circular fashion could play a role in achieving such social impact and that thus further research is needed. As a consequence, this statement made by Schröder regarding marginalised populations, will represent the second proposition this research aims to analyse in section 2.3.

2.2 Social sustainability

2.2.1 Background and theoretical concept

Social sustainability, representing one of the three sustainability pillars, “occurs when the



formal and informal processes, systems, structures and relationships actively support the capacity of current and future generations to create healthy and viable communities (Barron & Gauntlett, 2002). Socially sustainable communities are described as equitable, diverse, connected and democratic and provide a good quality of life (Busse et al., 2012). Several authors have stressed the increasing importance of SS within business practices as organizations face pressures to address the impact on society that they directly or indirectly cause and in order to broaden the scope of the company's vision to more than just environmental issues (Witjes et al., 2017).

Due to the public outcry and scandals over poor working conditions and long-lasting ethical issues (Smestad, 2009), SS in the apparel industry is an academically well-researched domain. Papers mainly analyzed social supply chain management (Winter & Lasch, 2016), labor standards (Asif et al., 2019; Locke et al., 2013), wages and work hours (Huq & Stevenson, 2018; Luque & Herrero-García, 2019) or elaborated on case studies on garment factories in the Global South e.g. Bangladesh, India or Vietnam (Brown, 2017; Ayatullah, 2017). Nevertheless these findings do not go beyond quantitative aspects regarding safe and healthy working conditions (Kittipichai et al. 2015; Prentice et al., 2018). Considering practitioners, several initiatives have been taken such as ILO's 'Declaration on Fundamental Principles and Rights at Work' (International Labour Organisation, 2014), diverse labor standards (Jenkins, 2002) and movements such as the 'Who made your clothes' initiative from the Fashion Revolution Initiative (Fashion revolution initiative, 2019). International brands such as Patagonia, People Tree or Stella McCartney positioned themselves over the last years as sustainable fashion pioneers aiming to be as ethical and transparent as possible by applying SS approaches such as self-regulated corporate social responsibility practices (Battaglia et al., 2014; Eijsbouts, 2011) multi-stakeholder membership organizations such as the Fair Wear Foundation (FWF) (2020) and third-party standards certifications e.g. Fair Trade Textile Standard and GOTS (Global Standard, 2020; Fair Trade Textile Standard 2020).

Despite the fact that SS is in general widely understood and some effort has been made by fashion companies as described above, none of these mentioned SS approaches are going beyond quantitative aspects such as 'number of employment creation' or 'fair wages' (Brown, 2017; Wettstein, 2009). This is due to the fact that most fashion companies still pursue a traditional for-profit business model with the main aim to create value for the company, revealing that the social dimension still garners less attention in practice by fashion businesses (Dobson 1999; Agyeman, 2008). A research on 633 sustainable fashion brands in the US revealed that only 4 % of their activities are dedicated to SS approaches (Kurapatskie & Darnall, 2013). In fact, most companies do not put effort into incorporating SS as there is no widely accepted scientific basis for analyzing the actual impact SS integration could have for them



(Bebbington & Dillard, 2009). Most fashion companies do not link SS to financial benefits but see it as an add-on or an initiative to align with regulations and stakeholder pressure, rather than voluntary efforts (Barrientos & Smith, 2007; Kurapatskie & Darnall, 2013).

Even though not properly acknowledged yet in practice by circular fashion companies, the benefits that could be created for employees and for companies themselves by considering SS aspects going beyond quantitative characteristics have been considered by a few academics. In fact, Hodgsons (2002) created a set of six qualitative SS categories namely: Life Quality; Health; Education; Involvement & Democracy; Social Cohesion and Diversity & Equity based on the United Nation SS indicators (CSD, 2001) in order to describe the attributes of the term SS that can be created for employees due to social business approaches. On the other hand, a separate theoretical set has been created by other researches elaborating on six business success categories that companies can create for themselves as a result of integrating SS approaches into their business models which are namely: Revenue Growth & Market access; Cost savings & Productivity; Access to Capital; Risk management; Reputation and Human Capital (Fussler et al., 2017; Cowe, 2002). Both theoretical sets will be further elaborated on in section 3.1 and used to create the theoretical framework for this research.

2.2.2 Social enterprise

The increasing acknowledgement of the third sector together with the broader interest in non-conventional entrepreneurial dynamics addressing current social challenges, led to the emergence of the new concept of 'social enterprise' in early 1990 (Borzaga & Defourny, 2001). Rather than being driven by increased financial surpluses and to stay aligned with regulations as it is mostly the case for the traditional SS business approaches mentioned in the previous section e.g. standards or memberships, the aim of a SE is to maximize qualitative SS aspects for humans as well as environmental well-being (McWade, 2012; Rahdari et al. 2016). The concept of SE has drawn the attention of practitioners, policymakers and scholars (Mair et al., 2006; Lenssen et al. 2005). Even though all SEs are considered equal regarding their dual value creation properties, creating economic and social value, the actual value created within the social enterprise category (*fig.2, red*) can slightly differentiate regarding their purpose (Alter, 2007). If the SE business model leans more towards SS (left in *fig.2*), more weight is given towards creating social value. If the SE business model leans more towards economic sustainability (right in *fig.2*), less weight is given towards social value creation.

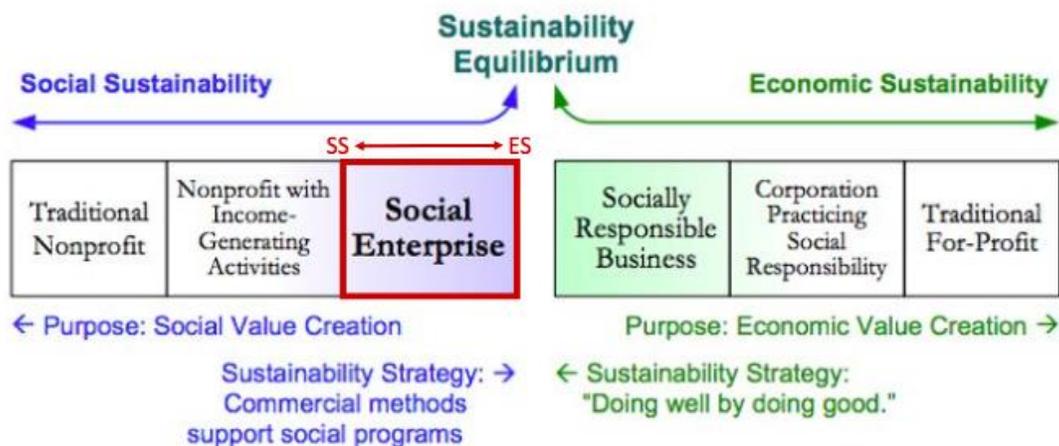


Figure 2: Sustainability equilibrium spectrum (Alter, 2007)

In fact, the concept of SE means different things to different people and thus it is important to map out the different business models that can be classified according to the specific element emphasized (Lenssen et al. 2005; Peredo & Mclean, 2006). Some SEs are centred around the social impact e.g. European SEs which are traditionally designed to pursue a social goal through the production of goods or services (Galera & Borzaga, 2009), while others focus on the entrepreneurial dimension e.g. in the USA most SEs are defined as organizations running commercial activities, not necessarily linked to the social mission, with the goal of collecting incomes to fund a social activity (Galera & Borzaga, 2009). Many different typologies for SE models exist (Defourny & Nyssens, 2017). For this paper, the three different SE business model types by Alter named embedded, integrated and external (*fig.3*) are used. They seem most apt for this research as they can be applied to the fashion industry and assess business models on their social value creation, which is an important component this research aims to analyze.

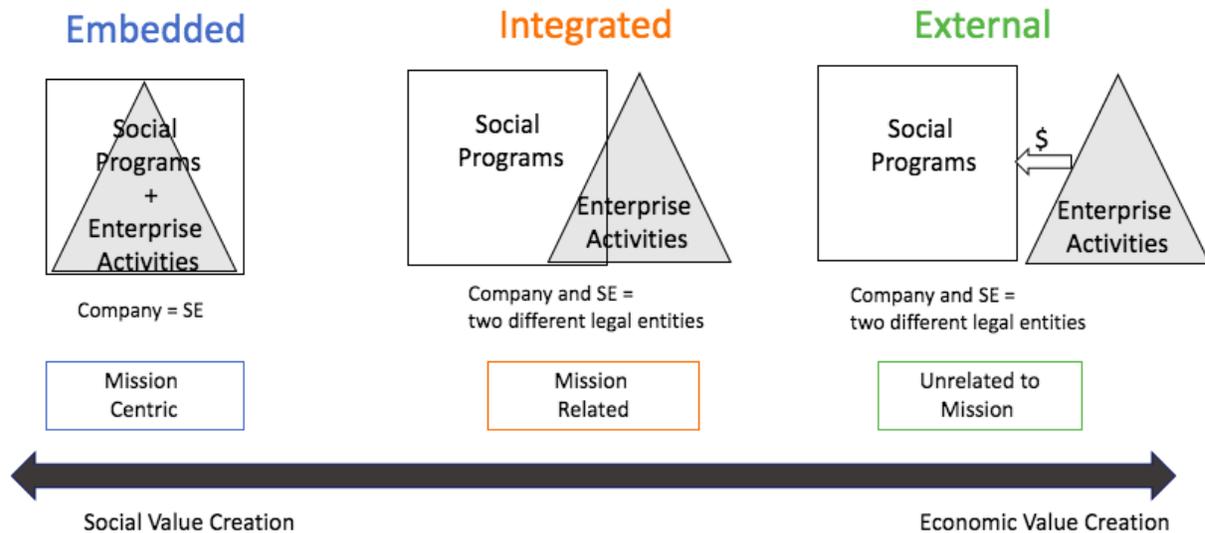


Figure 3: Visualization of the three different SE business model types (Alter, 2007)

The three different SE models that a company can integrate have different missions, depending on their level of SS integration, and are thus likely to create different types of value. The main characteristics can be explained as followed (Alter, 2007):

Embedded: Social programs and business activities are achieved under the same legal entity meaning that the company itself is the social enterprise. Financial and social benefits are achieved simultaneously. Social programs are self-financed through the enterprise activities e.g. item production. Due to their mission focus, most embedded SE business models are usually structured as non-profits to protect against mission drift. The main motivation behind this approach is *mission-centric* (fig.3) and thus this business model is likely to create the highest social value.

Integrated: Social programs overlap with business activities meaning that company and SE work together but are two different legal entities. A SE integrates other types of organizations to support the SE's operations and mission activities and to expand or enhance the mission in order to achieve greater social impact. This will be achieved by commercializing the SE's social services and selling them to a new fee-paying market or by providing new services. The relationship between the business activities and the social programs is synergistic, adding value— financial and social—to one another. The company activities are connected to the SE mission, but their motivation is more towards profit, labelled *mission-related* (fig.3), and thus



more likely to create social as well as economic value.

External: Social programs are distinct from business activities. The social activities, executed by a social organization, are funded by a separate company. Both are two different legal entities. The social initiative is linked to external bodies to fund their social services and/or operating costs which generally do not benefit from leveraging, cost sharing or program synergies, therefore, to serve their purpose, they must be profitable. The relationship between the business activities and social programs is supportive but often unrelated as their business activities are not required to advance the organization's mission other than by generating income for its social programs. The motivation of this approach is thus called *unrelated to mission (fig.3)* and likely to create the least social value.

2.2.3 Shared value creation

The theory that is based on the dual value creation mentioned in the previous section, is called the 'Shared Value Creation' established in 2011 by Porter and Kramer. The theory is defined as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates"(Porter & Kramer, 2011, p.66). Since the theory has received a lot of attention by some of the world's largest corporations as well as by researchers (Leandro & Neffa, 2012). The theory addresses the broken relationship between companies and the communities they operate in, stating that they are intertwined but that nevertheless their interdependence remains rather unexplored. The aim of the SVC theory is to develop an understanding of how companies creating value for society can also create value for themselves. If companies do not understand or track the interdependency between social and business results, they miss important opportunities for innovation, growth, and social impact at scale (Porter & Kramer, 2011). Creating shared value could eventually catalyse a system change, which the 'corporate social responsibility' movement was not able to deliver, as it challenges the narrow definition of corporate purpose to go beyond profit maximization (Visser, 2014).

CSV linked to the fashion industry is a less researched field. The few existing studies focused mainly on big fast fashion companies which consider with 'value creation' the value created for actors represented by textile businesses, providers, retailers, stores, customers. The shared value that can be created between individual workers, families and even communities in the Global South and circular fashion brands, is still an un researched field. Mostly larger companies with higher growth have been analysed by Jones & Wright (2018) who claims that superior financial performance leads to greater SVC activity, rather than SVC activity driving



financial outcomes. This statement will be used in section 2.3 and represents the third proposition that this research aims to analyse.

2.3 Propositions

The study aims not only to answer the two research questions but to additionally assess the three following propositions in order to allow a more in-depth analysis of the research topic. The propositions are findings from existing theories and papers presented previously in the literature review section. The aim is to apply these theories to the circular fashion industry and to assess if the results retrieved from this research will either support or reject them. The three propositions are namely:

Proposition 1: “The local clothing industry in emergent economies in countries in the Global South focuses on design and consumption, but not on the devastating impact of increasing consumption or circularity “(Norris, 2010)

Proposition 2: “The Circular Economy has the potential to uplift marginalised populations (women, indigenous people, etc.) and ameliorate existing patterns of inequality” (Schröder, 2019)

Proposition 3:” Superior financial performance leads to greater social value creation, rather than social value creation activity driving financial outcomes.” (Jones, 2018)

Proposition 1, retrieved from section 2.1.3, aims to analyze in which way circularity is integrated into and perceived by circular fashion businesses based in the Global South. To analyse this proposition the circular fashion brands applying an embedded SE business will be assessed as these are circular fashion brands producing and operating in local markets in the Global South. Proposition 2, deriving from section 2.1.3, will be examined by analyzing the results of the social value types created by the three different SE business models in the Global South and if indeed these business models have the potential to empower marginalised populations. Proposition 3, presented in section 2.2.3, claims that social value creation does probably not lead to financial outcomes for companies. This will be analyzed by searching for links between social value creation for people in the Global South and financial performance for the circular brand themselves.



3. Theoretical framework

In the following section, the theoretical research framework created for this paper will be presented. It consists of a combination of theories presented in the theory section on SE business models, SS value creation and brand value types, as well as empirical findings from the research. The different components of the inductively and deductively created framework are explained in the following sections.

3.1 Social enterprise business models adapted to the research

The three different SE business models, as explained by Alter, will represent the foundation stone of this research as the aim to apply them on the circular fashion industry and assess them on their circular practices and shared value creation. They will be applied to this research as followed:

- *Embedded*: The circular fashion brand itself is a SE based in the Global South and thus produces and sells its own clothes, and also operates the social initiatives.
- *Integrated*: The circular fashion brand is a separate legal entity from the SE but produces their clothes with them. The SE is based in the Global South and the circular fashion brand is based in the Global North. In this case the SE is only producing the clothes and runs the social activities, but it is the circular fashion brand selling the clothes under their name, mostly in the Global North.
- *External*: The circular fashion brand is based in the Global North and funds a social initiative in the Global South. The production of the clothes takes place in very innovative ways e.g. working with the newest recycling technologies that do not require labor work anymore but still want to contribute to creating social values in the Global South.

3.2 Circular practices adapted to the research

The circular strategies of the different SE business models that the research aims to assess are composed of theoretical data from section 2.1. The circular fashion strategies considered for this research and their definition are given hereunder.

Table 1: Circular fashion strategies used for the research

Circular Strategy	Definition
Reusing	Selling vintage and second-hand clothes



Upcycling	Cutting and sewing an old piece of cloth into something new (e.g. converting a sari into a skirt)
Recycling	Nature of waste is changed and broken down to their raw material to create a new piece of cloth (e.g. weaving plastic fibres retrieved from bottles into a garment)

3.3 Social value types created for people in the Global South

The social value types considered by this research are a combination of the SS categories that can be created for employees due to SS business approaches as explained in section 2.2.1 and empirical findings. Indicators and definitions of each value type are presented in *table 2*. The indicators will be used to create the interview guides for data collection regarding the second research questions and will be further used as coding categories for the data analysis. Further explanation will be given in the methodology section.

Table 2: Social value types, their indicators and definitions

Value type	Indicators	Definition
Life quality	Housing	Good housing situation (e.g. owning an own home, bed for each person etc.)
	Basic needs	Fulfilment of basic needs (e.g. food, electricity etc.)
	Work & Personal life balance	More time for family, free time and hobbies
Health	Physical well-being	In a good shape and healthy body condition
	Mental well-being	Strong moral and feeling balanced
Education	Sustainability knowledge	Knowledge about sustainability & circular economy
	Skills development	Improving or learning a new skill going beyond the anyway required skills to produce clothes such as sewing (e.g. learning a new language, maths or business skills)
Diversity & Equity	Empowerment of vulnerable people	Vulnerable & disadvantaged people regarding their religion, race, gender or a disability are integrated and empowered
	Understanding of diversity	Acceptance and recognition of people with different backgrounds
Social Cohesion	Group & Trust Creation	Creation of group-thinking, team activities and trust between workers or other community members
Technological Innovation (Empirical)	Use of technology	Using smartphones, tablets or computers
Structure (Empirical)	Structured routine & discipline	Having a structured daily routine and the feeling of having life under control



3.4 Brand value types created for the circular fashion brand

The brand value types considered by this research are a combination of the theoretical business success categories that companies can create for themselves as a result of integrating SS approaches into their business models as explained in section 2.2.1, as well as empirical findings. Indicators and definitions of each value type are presented in *table 3*. The indicators will be used to create the interview guides for data collection regarding the second research questions and will be used as coding categories for the data analysis. Further explanation will be given in the methodology section.

Table 3: Brand value types for the circular fashion brands, their indicators and definition

Value type	Indicators	Definition
Revenue growth and market access	Profit	Increased financial profitability
	Market entrance	Entering easily the local and/or worldwide market
Access to capital	Funding & donations	Diverse channels to capital access [charities, funding opportunities etc.]
Risk management	Laws & regulation	Aligning with laws and regulations regarding sustainability
	Crisis situation (empirical)	Resilience against crisis situations and quick changes
Reputation	Brand name & competitive advantage	Good reputation of the brand, higher product demand compared to competitors
Working atmosphere	Relation & work environment	High job satisfaction, motivated employees, friendly relationship between employees & different departments, increased employee involvement

3.5 Summary of the research framework

An overview of this research's theoretical framework combining the different framework components mentioned previously in this section is represented in *figure 4*.

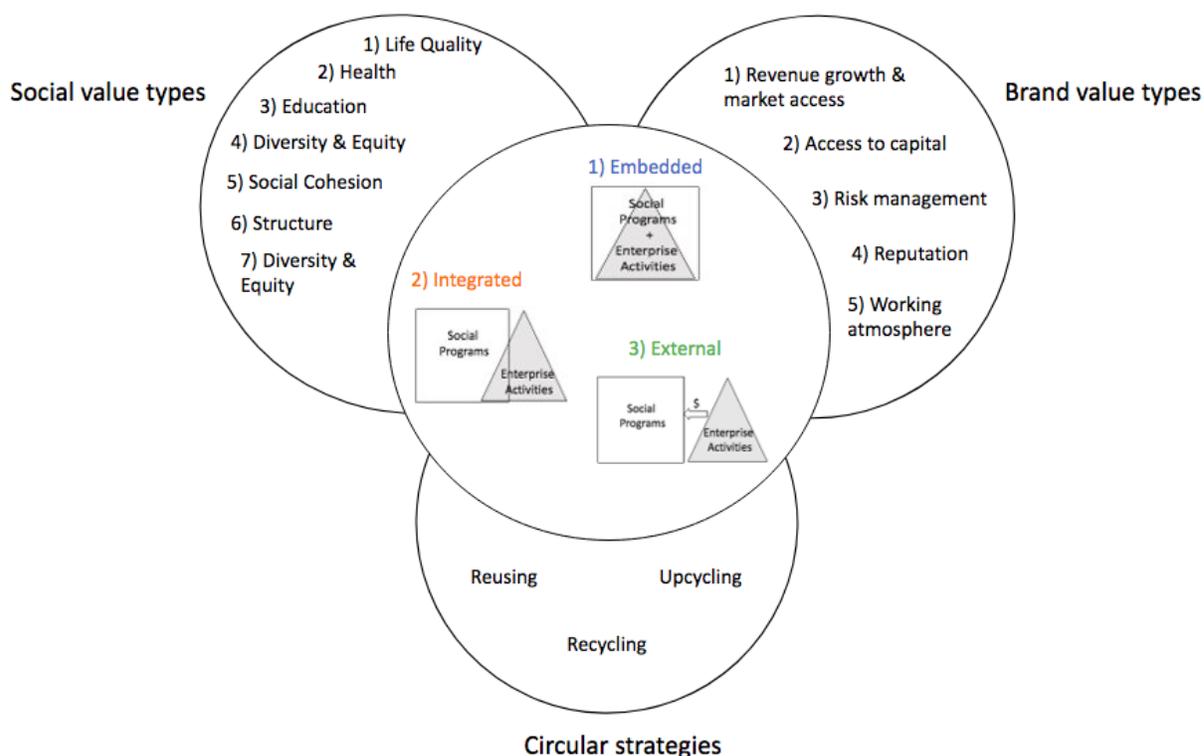


Figure 4: Theoretical framework of this research focusing on the three different SE business models, the circular strategies they can adopt and the different social and brand value types that can be created.

The three different SE business models will be applied to the circular fashion industry in order to analyze them on their circular strategies as well as on the social and brand value types they create (fig.4). Through this, insights can be retrieved regarding their triple bottom line performance.

4. Methodology

4.1 Research Design

The research aimed to answer the two research questions by: 1) comparing in a qualitative way the three different SE business models on the kind of CE strategies they integrate and the types of value they create for the people in the Global South and the circular fashion brands themselves 2) Detecting characteristics of the three different SE business models regarding circularity and shared value creation.

First, case study brands were selected fitting the criteria of one of the three different SE



business models. Secondly, the data was gathered through an exploratory approach (Turkey, 1977) where information was collected through grey literature, online information and semi-structured interviews in order to ensure an exploration through various lenses which allows for multiple facets of this research to be revealed and understood (Baxter & Jack, 2018). Both deductive and inductive methodology steps were used for this qualitative research. Deductive as the interview questions were based on existing literature, and inductive as new information emerged through the deductively designed semi-structured interviews leading to adaptation of the used framework. This approach of theory development, called abductive approach, allowed to validate the theories used to create the framework, but also to expand these frameworks on a conceptual level by investigating real-life observations (Fereday & Muir-Cochrane, 2006). Third, the data was analyzed by a direct content as well as a thematic analysis approach allowing the qualitative results to be analyzed in a qualitative as well as quantitative way. *Table 4* hereunder represents a summary of the methodology steps. An in-depth explanation of each step will be given in the following sections.

Table 4: Summary of the research methodology steps

Methodology steps		
Research design	Comparative case study	
Research strategy	Qualitative	
1. Case Selection		
Case identification	Creation of the sample of circular fashion brands applying an embedded, integrated or external SE business model through online research and visiting sustainable fashion hubs, awards and events.	
2. Data Collection		
Existing resources	<ul style="list-style-type: none"> - Website and social media of the circular fashion brand - Grey literature mentioning the circular fashion brands such as annual reports, sustainability reports, articles and newsletters. 	
Semi-structured interviews	Two interview guides: 1. Questions on circular practices and created brand value types conducted on the circular fashion brand 2. Questions on circular practices and created social value types conducted on the SE and garment workers	
3. Data Analysis		
Research questions	RQ1: <i>In which way is CE integrated within different SE business models in the</i>	RQ2: <i>What types of social value do these different SE business models create for garment workers, families and/or communities in the global south and for the circular fashion brands themselves?</i>



	<i>circular fashion industry?</i>		
Coding categories	<p><i>Circular practices:</i></p> <ol style="list-style-type: none"> 1. Reuse 2. Upcycle 3. Recycle 	<p><i>Social value types (indicators):</i></p> <ol style="list-style-type: none"> 1. Housing 2. Basic needs 3. Work & personal life balance 4. Physical well-being 5. Mental well-being 6. Sustainability Knowledge 7. Skills development 8. Empowerment of vulnerable people 9. Understanding of diversity 10. Group & trust creation 11. Use of technology 12. Discipline and structured routine 	<p><i>Brand value types (indicators):</i></p> <ol style="list-style-type: none"> 1. Profit 2. Market entrance 3. Funding & donations 4. Laws & regulations 5. Crisis situation 6. Brand name & competitive advantage 7. Relation & work environment
Frequency analysis	Measurement of the quantitative counts of the different codes received to present the qualitative results in a quantitative way (direct content analysis)		
Quotes & examples	Giving specific examples and quotes for each mentioned coding category in order to give a qualitative overview of the results (thematic analysis)		
Outcome	<ul style="list-style-type: none"> - Comparing the three different SE business models on the different indicators - Identifying characteristics of the three different SE business model types regarding circular practices and shared value creation. - Analyzing the validation of the theory-based frameworks and finding new insights on the three different SE business models regarding shared value creation and circular practices in the circular fashion industry. 		



any more from the interviews and document analysis, indicating that the point of data saturation is reached (Francis et al., 2010). The selected circular fashion brands for this research, as indicated in figure 10, are: 10 circular brands following an embedded (blue) SE business model which are a SE themselves and based in the Global South were selected. Furthermore, 7 circular fashion brands following an integrated (orange) SE business model located in the Global North (a) and producing with a SE based in the Global South (b) were found. Finally, 6 circular brands applying an external (green) SE business model based in the Global North (a) and funding a social initiative in the Global South (b) participated. Further information about the chosen brands for each SE business model can be found in table 5, 6 and 7.

Table 5: List of circular fashion brands participating in the study applying an embedded SE Business Model

Embedded	Name, location & establishment year of the circular fashion brand = SE	Sales location	Social Activity	No. of employees working for the circular fashion brand (founders, communication, administration, volunteers)	No. of garment producers employed by the SE
1	Sambhali Trust - INDIA - 2010	Local shop in India + Online Shop	Providing work to unprivileged women	5	20 garment workers
2	Iroiro Zero Waste - INDIA - 2012	Local shop in India + Online Shop	Providing work to unemployed weaving communities	3	50 garments
3	Hattihatti Designs - NEPAL - 2004	Local shop in Nepal + Online Shop	Providing work to unprivileged women	5	320 garment workers and about 200 who have their own business now
4	Dhank Sustainable Textiles - INDIA - 2010	Local shop in India + Online Shop	Providing work to unemployed people in rural areas	20	over 100 garment workers
5	Khamir - INDIA - 2001	Local shop in India + Online Shop	Providing work to unemployed artisans practicing century-old	15	100 + garment workers



			techniques		
6	Qaytu - PERU - 2012	2 local shops in Peru + Online Shop	Providing work to local weaving communities	4	60 garment workers
7	Ankur Khala - INDIA - 1982	1 local shop in India + Online Shop	Providing work to unprivileged women and local handicraft communities	20-30	6000 garment workers who have their own little business now
8	Sole Rebels - ETHIOPIA - 2004	1 local shop in Ethiopia + Online Shop + Wholesale in 40 shops around the world	Providing jobs to poor communities and disabled people while keeping alive century old footwear tradition	+20	+100 shoe producers
9	Eco-shoes - GHANA - 2013	1 local shop in Ghana + Online Shop + Several shops selling them in Ghana	Providing jobs to disabled people and unprivileged women such as widows	5	10 disabled people and over 50 female workers
10	Kuchinate - ISRAEL - 2007	1 local shop in Israel + Online Shop	Providing knitting jobs to female African refugees	13	300 female refugees garment producers

Table 6: List of circular fashion brands participating in the study applying an integrated SE Business Model

Integrated	Name, location & establishment year of the brand in Global North	Name, location & establishment year of the SE in the Global South	Sales location	Social Activity	No. of employees working for the brand in the Global North	No. of garment producers employed by the SE in Global South
1	(1a) Maison-Tika - FRANCE - 2015	(1b) Saheli Women - INDIA - 2013	1 Shop in France + Online Shop	Providing jobs to unprivileged women in rural Rajasthan	1	40 female garment workers
2	(2a) The Anjelm's project -	(2b) The Stitching projects -	1 Shop in Australia + Online Shop	Providing jobs to unprivileged women and widows, later	3	50 male and female workers



	AUSTRALIA - 2004	INDIA - 2010		also men joined		
3	(3a) Abury - GERMANY - 2008	(3b) Andrea Foundation - MOROCCO - 2008	2 Shops in Germany + Online Shop + Wholesale over 30 shops in Europe	Providing jobs to local communities from the Atlas regions	8	100 male and female garment workers
4	(4a) Tassel and Tales - GERMANY - 2017	(4b) AL Kawtar Women's cooperative - MOROCCO - 2012	1 Shop in Germany + Online Shop	providing work to disabled women in Morocco	3	10 female garment workers
5	(5a) A beautiful story - NETHERLANDS - 2007	(5b) Beads for life - NEPAL - 2007	2 Shops in the Netherlands + Online Shop + Wholesale in 100 Shops worldwide	Providing jobs to widows in Nepal	10	50 female workers
6	(6a) Safar Travel bag - Austria - 2018	(6b) Princess Diyakumari foundation - India - 2013	Online Shop	Providing jobs to women in India	1	+100 Female workers
7	(7a) YEVU - Australia - 2012	(7b) YEVU Foundation - GHANA - 201	Shop in Australia + Wholesale in other shops + online selling	Providing jobs to unprivileged people in rural areas in Ghana	10	+100 garment workers



Table 7: List of circular fashion brands participating in the study applying an external SE Business Model

External	Name, location & establishment year of the circular fashion brand	Name, location & establishment year of the social initiative	Sales location	Social Activity	No. of people working for the circular fashion brand in the Global North	No. of people impacted by the social initiative
1	(1a) Irene Bozza Jewellery - Spain - 2012	(1b) Mboni ya Vijana - Tanzania - 2010	Online Shop + Shop in Spain	Develop skills and resources for people to lift themselves and their families out of extreme poverty.	5	290 farmers
2	(2a) Zazi Vintage - Amsterdam - 2015	(2b) IPHD - India - 2013	Online Shop- + wholesale in 2 shops	Girl's education project	2	50 schoolgirls
3	(3a) My Einfeldung - Luxembourg - 2018	(3b) North-South Cooperation - Uganda - 2013	Online shop + Wholesale in 2 shops in Italy	Sponsoring unprivileged women to get education	1	40 women getting education in skills development
4	(4a) Ekam - Singapore - 2018	(4b) I-India - India - 2001	Online shop	Sponsoring school equipment and education fees to unprivileged children	1	+40 girls going to school and having shelter in an orphanage
5	(5a) Amaz Shoes - Spain - 2017	(5b) Education for all - Morocco - 2016	Online shop + Wholesale in 3 shops in Europe	Sponsoring education for street children in Morocco	5	180 girls getting education
6	(6a) Solo Eye Wear - United States - 2016	(6b) Aravind Eye care System - India - 1976	Online Shop + Selling in shops in Europe	Funding of eye exams, eyeglasses and cataract surgeries	10	15000 people with sight problems



For the selection of the circular fashion brands, the six following criteria were used:

Table 8: Criteria for the circular fashion brand selection

Criteria	Explanation
a) Circular fashion company	Selling clothes which are circular e.g. up cycled, recycled or reused.
b) SME	Classified as small or medium-sized enterprises with fewer than 250 employees and an annual turnover of up to €50m (European Commission, 2003). The reason behind selecting SMEs is that they are often more flexible and have been seen to be more innovative in their social sustainability efforts but have rarely been studied linked to CSV (Jenkins, 2009).
c) Applying an embedded, integrated or external SE Business model	Applying one of the three SE BM as explained in the theoretical framework (embedded, integrated or external). The case companies should have furthermore a publicly communicated sustainable ambition and explain in which they are, work with or fund a SE producing circular fashion. This can be in the form of responsibility reports, sustainable visions or other publicly available documents that prove that the firm aims to create societal value by integrating social initiatives into their business model.
d) Operating in the Global South	The circular brand should be, produce with or fund a social initiative which operates its social activities in the Global South in countries where until now most fast fashion products sold in the Global North are produced and where social as well as environmental known e.g. India, Ethiopia. This scope was chosen as businesses with SE approaches could have a significant impact on developing countries, which is until now not thoroughly studied (Smith & Barr, 2007).
e) Language criteria	The founders of the circular fashion company need to speak English. The founder of the social initiative needs to speak English and the local language from the country they operate in in order to take the role of a translator between the interviewer and the garment workers to reduce the language barrier (Larkin et al., 2007).
d) Online presence	The circular fashion brands as well as the SEs should have an online website and be present on at least one social media platform e.g. facebook, Instagram. This shows that the brands and SE have a certain state of development and are also actively involved in showing their work on a daily basis. Research showed that new low-cost technologies, social media and other forms of online communication technologies offer businesses, especially based in developing countries, unprecedented opportunities for rapid development (Rischar, 1996; Nakafeero et al., 2013).



4.3 Data collection

Data was collected from already existing information as well as new emerging data through an exploratory approach. Existing data on the circular practices and the value types created by the circular fashion brands were gathered through desk research. All online available information and documents about the circular fashion brands and SE were analyzed including websites sustainability reports, annual reports, press releases, videos and social media platforms e.g. Facebook and Instagram. A list with the websites and social media accounts of the participating brands and SE's is given in appendix 3. New data was gathered through audio recorded semi-structured interviews conducted via skype. Semi-structured interviews were chosen as they facilitate a thematic structure but also flexibility to adapt to the context and new emerging topics (Barriball & While 1994). Skype calls were chosen due to their advantage given its speed, opportunities for access and low costs (Janghorban et al., 2014). Furthermore, the interviewees had the choice to stay anonymous if they wanted as anonymous communication can allow honesty, openness, and diversity of opinion (Kang et al., 2016). Two different questionnaires were created, one for the circular fashion brand and one for the SE and the garment workers based in the Global South. The two questionnaires as well as a list with information on the interviewed people can be found in appendix 1, 2 and 3.

Interview guide 1 (*appendix 1*) has the aim to gather information on circular strategies and the social value types created in the Global South and is conducted on the SE founders and garment workers (for the embedded and integrated SE business) and the social initiative founder and people exposed to the funded social initiatives (for external SE business model). The interview questions are based on elements from *table 1* considering the circular strategies and on the social value types from *table 2* and were conducted via a skype call. The founder of the SE/social initiative took the role of the translator in order to reduce the language barrier given the fact that this person speaks English as well as the local language. To interview a few people at the same time is called focus groups and is considered as a data collection method that enhances the quality of the information gathered about social aspects as the insights will emerge from the direct interaction within the group of people and the interviewee (Morgan, 1996). Furthermore, the SE and social initiative founders were asked to provide, if possible, proof to back-up the statements given with specific examples, pictures, videos or quotes to make the statements convincing and to create data triangulation (Triangulation, 2014).

Interview guide 2 (*appendix 2*) has the aim to gather information on the circular strategies and the brand value types created for the circular fashion brand. The interview questions are based on elements from *table 1* considering the circular strategy and on the brand, value types from *table 3*. They were conducted via a skype call with the founder or another relevant person



from the circular fashion brand. Here as well the founders were asked to provide, if possible, proof to back-up the statements given with specific examples, pictures, videos or quotes to make the statements convincing.

4.4 Data analysis

Before analyzing the results, initial coding categories were defined. Regarding the first research question linked to the circular practices, the initial coding categories were defined as the three circular strategies from table 1. Considering the second research question, based on the shared value creation, the initial coding categories will be the 12 indicators shown in *table 2* regarding the social value types, and the 7 indicators shown in *table 3* will be used for the brand value types. In a second step the collected data got analyzed through a direct content as well as a thematic analysis approach. The direct content approach allows the qualitative data to be analyzed in a quantitative way by interpreting counts of coding categories (Gbrich, 2007), whereas thematic analysis provides a purely qualitative and detailed account of data (Braun & Clarke, 2006) by giving specific examples, quotes or pictures for each mentioned coding category.

The data were analyzed in a way to be able to compare the three different SE business models on the different coding categories. The steps were as followed: 1) listening and verbatim transcribing of the audio-recorded interviews 2) extracting units of meaning from the interview, grey literature and online information 3) clustering the units with the same meaning together into themes; 4) Analyzing if the themes match to one of the predetermined coding categories 5) Counting the frequency of all the mentioned categories within each SE business model group and creating graphs showing the quantitative results for each SE business model 6) Adding qualitative aspects to the quantitative counting by adding examples and quotes for the mentioned category.

Through this, first bar graphs were created in order to analyze and compare the scores of the three SE business models for each coding category. The results for the three circular strategies are represented through one graph, the results for the social value creation are presented through a graph for each one of the 7 social value types including its indicators and the results for the brand value types are represented with a graph for each one of the 5 brand value types including its indicators. In a second step, a matrix table is created to sum up the results, to discuss the main characteristics of each SE business model and to answer the research questions.



5. Results

The following section presents the results retrieved from the interviews, grey literature, and additional information given by the participants after the interviews. The results are presented through table graphs to give a quantitative aspect in order to allow a comparison. Qualitative data is added for each coding category and represented by some selected quotes and specific examples. Unfortunately, not all the citations were able to fit in this result section, thus a table (appendix 4) including further significant quotes was created in order to offer additional insights. As certain interviewees wanted to stay anonymous, the quotes just claim the role of the interviewee. First, the results of the circular strategies are presented, followed by the social value types created in the Global South and finishing with the brand value types for the circular fashion brand

5.1 Integration of circular strategies

The results linked to the first research question, aiming to reveal in which way circularity is represented within the three different SE business models, are as followed:

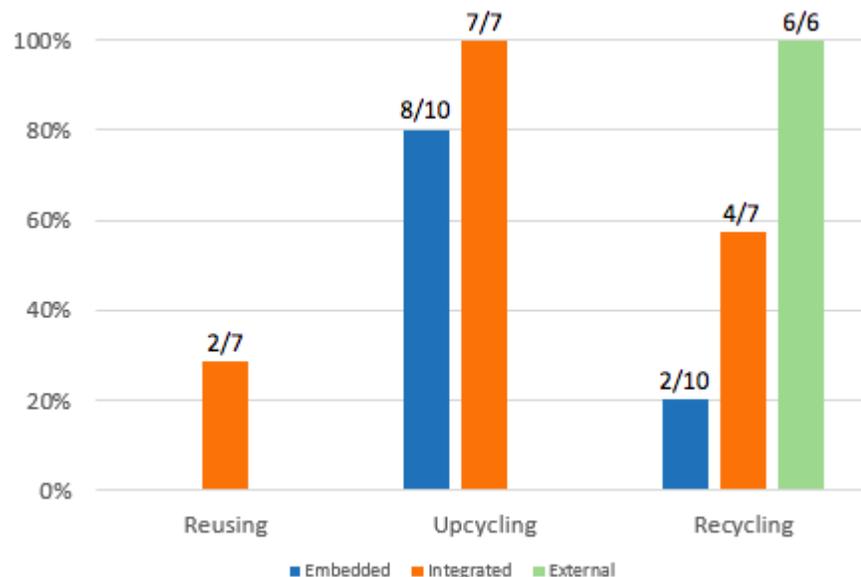


Figure 6: Results of the circular strategies for the three different SE business models



5.1.1 Embedded

Out of the 10 analyzed brands, 8 have circularity integrated into their business in the form of up-cycling by using dead-stock materials and old fabrics that they either owned already or bought for low prices. Brands based in India and Nepal for example worked mainly with vintage saris to up-cycle them into new garments. The brands based in Morocco, Ghana and Ethiopia for example mainly used traditional vintage tissues or old car tires to produce shoes. Furthermore, 2 brands also work with recycling methods, for example by breaking down plastic pieces or fishing nets and weaving them again into new items. Both brands mentioned the high costs of recycling and claimed that they could only work with these kinds of fabrics after they started to become profitable. “Recycling is quite expensive because it requires a lot of energy and processes. In the beginning we only did up-cycling, which is less expensive, but now we can also afford to recycle which is very demanded in the Western market (Female brand founder).

The founder of each circular fashion brand claims that circularity was from the beginning on deeply knitted into their business model along with the social aspects and that it represented a necessity to be able to start their business. They all got established with the aim to provide work for unprivileged people but due to restricted budgets, up-cycling or reusing old fabrics was the only option to achieve this goal. “Circularity was from the beginning on a very important aspect because this is how we started. We often use and reuse our old clothes; this is something very normal for the women we work with who do not have the financial means to buy new items. We use an old sari for example to make curtains.” (Female garment worker). All 10 brands explained that having circular practices as part of their business model represents a way of allocating their limited resources in an efficient way. “Reusing our items and fabrics is a way of allocating our resources, it is crucial for us to survive as a business.” (Female brand founder).

Furthermore, the interviews revealed that most garment workers were not acquainted with the concepts behind “sustainability” and “up-cycling” and also all the fashion brand owners claimed that these labels are products of the developed countries. “Here in Ethiopia, recycling things is a way of life. In fact, we’ve been recycling and up-cycling for years without ever labelling these actions. It is a very Western concept.” (Female SE founder). The 3 brands who claimed to work with very rural and traditional communities revealed that the more rural the area, the more circularity is knitted into their everyday life. “The poorer the communities and the more rural the area, the more they have circularity integrated into their life as nothing is wasted if it is not 100% necessary. It is part of their tradition and culture” (Female SE founder).



These findings align with the results of other research papers analyzing indigenous and rural community discourses on circularity and alternative concepts in the Global South (Kothari et al., 2014; Calisto Friant & Langmore, 2015) as well as with the findings by Schröder (2019) claiming that circularity is not a new concept and represents different visions and concepts in different parts of the world.

Another aspect that emerges from the interviews with these brands who are a SE in the Global South is that their items are mainly sold online in the international market or in their local shops to Western tourists as there is no demand for circular fashion in their local market. The 3 oldest and most developed brands claimed that as soon as they made some profit, they also started to invest into collections made out of newly produced fabrics. “In the beginning we only used old materials we already had because we had no other option, now we are very proud to also produce with new textiles to sell to Indian people. Our new items we sell more in India but international clients also still like the upcycled garments.”(Female SE founder) Another brand based in India claimed “Many Indian people who are financially well off do not want to buy clothes from old fabric, upcycling is not yet a trend in India. People are happy to buy and consume new items especially if they only recently gained access to more money and thus a life out of poverty.” (Female SE founder). These statements revealed that in order to sell the items in the local markets in the Global South, they would need to disconnect the circularity part from their social business model. These findings align with the observations from Narayanan (2010) and Kumar (2009) who analyse the increasing desire for consumption of the growing middle classes in the Global South developing and their aspiration to Western material dreams and fast fashion trends.

Nevertheless, even though 3 out of the 10 brands started already to produce items which are not circular and 3 further brands claimed to plan on doing so in the future in order to emerge also in the local market, each of the 10 brands stated to keep circularity integrated as a main part of their business model as the demand in the Global North for sustainable fashion is increasing. 4 brands declared that especially since the last 3 years they detected an increased demand for sustainable items from their Western clients and thus plan to expand and integrate circular aspects into their business model even further.

5.1.2 Integrated

Considering the different forms of circularity, all 7 brands work with upcycling processes such as collecting deadstock materials, traditional vintage items or second-hand saris which are then upcycled by the social enterprises into new mostly one of a kind authentic items for the



Western market. Additionally, 4 of the brands also include recycled materials into their business model by using recycled cotton that has been newly woven together out of leftovers, recycled leather composed of shredded leather straps and residues collected from tanneries or other leather product manufacturers, or recycled polyester made out of plastic bottles. “We use recycled polyester for our sports collection. Even though these fabrics are much more expensive than regular textiles, we feel responsible to also tackle the plastic waste issue and thus we started to integrate recycled fabrics two years ago.”(Female brand founder) These 4 brands buy the recycled fabrics in specialized factories and deliver them to the social enterprise in a second step who then produces the items. Furthermore 2 brands also included the reusing circular practice by selling vintage pieces they collected through the SE e.g. vintage leather bags or shoes from Morocco.

The interviews reveal that circularity and social initiatives represent an equal part of the business model for all 7 analyzed brands but that for some brands circularity got integrated into the BM in a later stage. The 4 brands that have been established before 2017 stated that their initial BM primarily focused on social aspects by producing their items with social enterprises in the Global South. They started integrating the circularity aspects only 2-3 years ago as they detected an increasing demand not only for ethical but also environmental friendlier clothes in the European market. The other 3 brands that have been established after 2017, claimed to have integrated the social as well as the circular aspects into their core business model from the beginning on as they detected the need and advantage for them as a brand to include both aspects from the beginning on. All of them claimed that their main motivation to integrate circularity is environmental protection, the urge to shift the fashion industry towards a more sustainable state and to be aligned with up-coming trends.” We deeply care about the environment and with Tassel and Tales we want to provide conscious items that make people not only look but also feel good about their purchase” (Female brand founder)

The interviews made on the one side with the SE’s based in the Global South and the other side with the brands based in the Global North revealed some very interesting insights regarding circularity. “It is very interesting to have two different cultures working together around circularity. It took me a while to understand this and to see how the same concept means two different things in two different parts of the world. For us it is a way to fulfil our basic needs and to use what we possess as efficiently as possible, but I think that for the countries in the Global North it is seen as a new trend. They do not have to worry anymore about basic needs problems and can consider sustainability as a main problem.” (Female SE founder) Furthermore, 5 out of the 7 SE’s that produce for the circular fashion brand in the Global North revealed that they detected an increased demand in circular fashion from their



clients since the last 2-3 years.

Two founders of a SE mentioned how the fact of having actors from the Global North and Global South working together around circularity can also lead to the opposite of the actual desired outcome. One interview mentioned that due to the increased demand for recycled plastic fabrics such as polyester, an Indian textile business in Jaipur created a factory producing plastic bottles just next to a factory where the same bottles are recycled again into polyester. The bottles are transported straight away from one factory to the other one without ever being used.” I think they (Indian textile business) reacted out of fear to lose clients as they were scared not to be able to adapt quickly enough to the new Western trends demanding sustainable and recycled clothing. In the end I think you can’t really blame them; they need to financially survive.” (Male SE founder).

The other interview mentioned that especially in India, cases are known where vendors are selling fabrics to Western clients, claiming to be vintage and upcycled when in reality they were newly produced. This statements align with the findings of Norris (2005) who investigates the lies about the recycling textile industry in India explaining that vendors detected the increased demand for upcycled items by tourists, but in order to retain a regular supply of aesthetically pleasing goods, these products were actually made out of newly produced fabrics. “For the last thirty years the fashion industry here in India was formed by the hunger for fast and cheap fashion leading to numerous social and environmental disasters. Now sustainability is a new trend and clients quickly want to change to slow fashion and circular materials, but still with the best price. It is very hard to change such a big industry straight away and for us to adapt that fast.” (Female SE founder).

5.1.3 External

The 6 analyzed circular fashion brands from this business category do not connect circular practices and social initiatives with each other. All 6 brands create recycled items that require complicated recycling and production processes such as recycled wool, recycled gold jewellery or recycled sunglasses. The recycled materials as well as the production of the items are mostly made in the same either specialized factory or atelier. “Because we work with very innovative cutting technologies and fabrics produced and designed in Italy, it was not possible to outsource our production to developing countries and to foster social change by creating work in unprivileged communities. Our business is about the innovative circularity aspects and it is hard to integrate the social aspects into this. Because we can’t produce our items with a social initiative, at least we wanted to contribute through our finding mechanism.” (Female brand



founder) Here as well, all brands claimed that their main motivation for circularity integration is environmental protection and to be a front runner in shifting the fashion industry towards a more sustainable state.

Not much information was given from the side of the social initiative based in the Global South and funded by the circular fashion brand regarding their understanding of circularity. As they have nothing to do with the circular fashion production process, no statement was given regarding circular strategies that the circular brands are practicing.

5.2 Social value type creation in the Global South

The following section will present the results aiming to answer the second research question regarding the social value that is created in the Global South. Table graphs are created for each one of the 7 analyzed social value types showing the frequency of the different value type indicators that were mentioned by the brands belonging to one of the 3 SE business model categories. These quantitative results are presented through relative and absolute numbers in order to have an overview of the result for each brand and to be able to compare the performance between the different SE business models. In order to give further insight, the quantitative information from the graphs are complemented by a qualitative description for each value type indicator.

5.2.1 Life quality

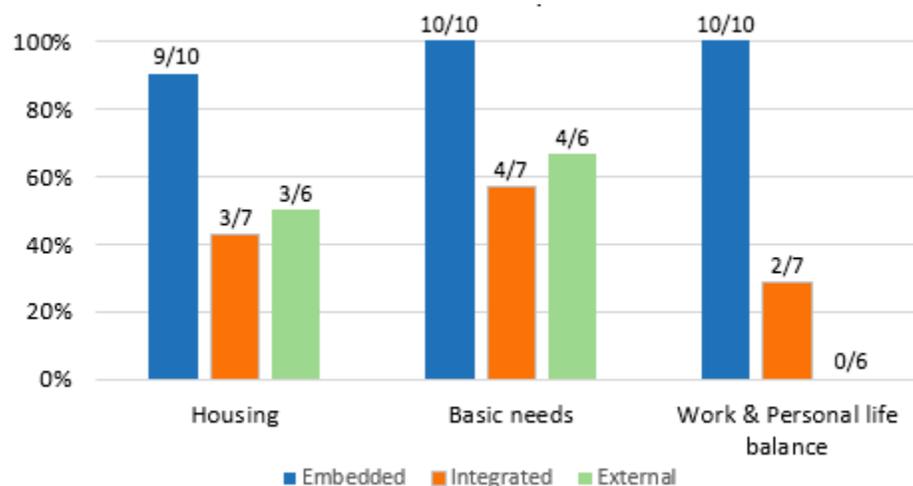


Figure 7: Results of the life quality indicators for the three SE business models



Considering the *Housing* indicator (*fig.7*), 9 of 10 brands from the embedded SE business model created value for the garment producers through enhanced housing situations such as a bigger house, moving from an apartment into a house or even from living on the streets to having an own home. This is achieved either because of increased salaries, interest-free loans provided by the SE or because they immediately received a shelter by the SE after starting to work for them. “I used to live in a shack dwelling with about 6 other members of my family. I started working at Sambhali and asked straight away to get a loan. Now, I am able to live in my own apartment and have a freer life.” (Female garment producer). For the integrated SE business model, 3 out of 7 brands created value for the garment producers regarding housing by helping the SE to establish programs to help the workers to find houses or enhanced accommodation. An enhanced housing situation is especially detected for the people producing the longest for the SE and thus exposed the longest to fair wages and social programs. “Now 4 years after starting to work here my children and I live next to the working centre. I was able to build a little house all by myself for me and my children. This makes me really proud.” (Female garment producer). The external SE business model scores with 3 out of 6 brands funding projects linked to enhanced housing situations “I-India was founded in 2001 and provides accommodation for 40 girls previously living on the street. They are provided with love, shelter, security, nutrition and medical care.” (Female SE Founder).

Regarding the *Basic needs* indicator (*fig.7*), all 10 brands from the embedded SE business model are scoring. All workers claimed to have diverse food, running water and electricity in their houses and that this is something they did not have before starting to work in the SE. “Since I work here, I can buy good and diverse food, we even have a little vegetable garden in the working centre to provide us with healthy food.”, a female garment producer explains. “Khamir helped me to sort everything out, I live now in a nice little house with running water and electricity next to the working centres. We even have warm water which is something me and my children never had.” (Male garment producer). From the 7 analyzed brands following an integrated SE business model, 4 scored in creating value regarding basic needs due to the fact that the workers obtained help from the SE in having access to good food quality or electricity “With the loan provided to us, some other women and I bought a cow, goat or chickens to produce food for ourselves, now we have good food all year around.” (Female garment producer). Out of the 6 analyzed external SE business model brands, 4 scored in creating value for the people exposed to the social initiative as they fund projects linked to food accessibility or for example building wells in drought areas. “We offer the children 3 nutritious meals a day, hot showers, 24h electricity, access to computers, and try in this way to cover their basic needs as much as possible.” (Female social initiative founder).

Considering the *Work and personal life balance* indicator (*fig.7*), all brands from the embedded



SE business model scored in creating value for their workers. Most examples given are linked to flexible working hours. Having the freedom of freely choosing working hours and working days per week, lead to a more flexible lifestyle as well as more time for family and hobbies. Furthermore, 6 out of the 10 SE help the garment workers to develop their personal life activities by providing workshops such as gardening, drawing or agricultural activities. Furthermore 3 out of SE's provide loans to establish hobbies and activities that could foster further profit." I have more time with my family and am less stressed every month because I know that we will be financially okay. With the micro-loan I got from Sambhali Trust I bought a cow for my family and we are also producing milk and cheese now to sell in our village." (Male garment producer). Considering the 7 brands from the integrated business model, 2 brands created value regarding work and life balance as the workers mentioned that even though they have fixed working hours, they still have more flexibility and less working hours compared to their previous work. " Before working at the Saheli Women I was a cotton picker. I worked about twelve hours every day and only came home late to my children. Now I have more free time and can spend the evening with my family." (Female garment producer). Considering the external SE business model, no information was found regarding this indicator. This is probably due to the fact that these circular fashion brands do not provide direct work to people in the Global South but just fund social projects.

5.2.2 Health

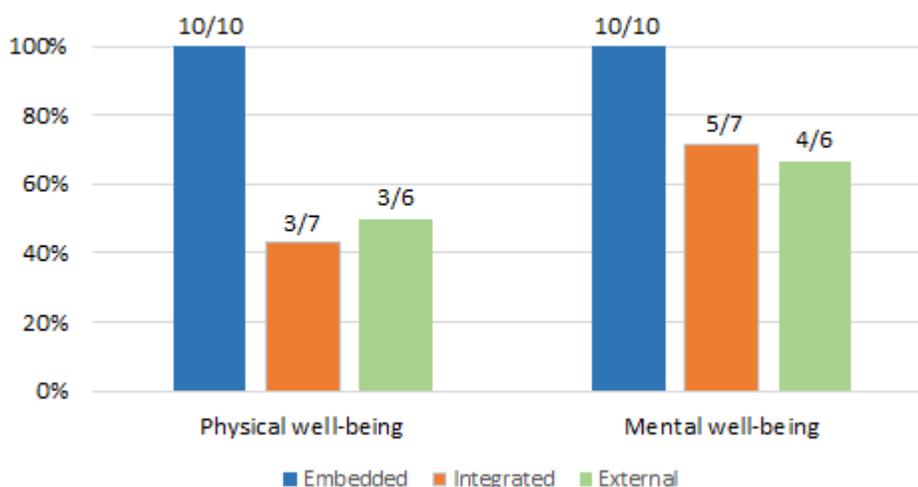


Figure 8: Results of the health indicators for the three SE business models

Regarding the indicator *Physical well-being* (fig.8), all 10 brands following an embedded SE



business model score in creating enhanced physical conditions for the garment producers. The garment workers from this SE business model come from the most difficult backgrounds such as living on the streets, fighting on a daily basis against poverty or being mentally and physically abused, leading to physical pain, disabilities and mal- or undernutrition. All brands claim that the well-being of the people they work with represents one of their main goal. Each one of them provides basic medical care for their workers and covers regular doctor visits, emergency medical care and for example ambulance transport. Furthermore 2 brands offered interest-free loans for expensive operations or medical treatments. "A female colleague of mine lost two years ago 70% of her eyesight. She got a loan from Iro-iro Zerowaste to cover the expensive treatment and can now finally see again." (Female garment worker). Furthermore, 3 brands also establish projects linked to nutrition and hygiene in order to cure diseases such as anaemia and under-nutrition. "I often didn't get my period because I was so stressed and was not eating healthy, often in rural villages everything you eat is rice and bamboo.", a female garment producer reveals. She furthermore added that she could detect an increased health after one year working for the SE and that her menstruation cycle turned back to normality.

From the 7 analyzed integrated SE business models, 3 out of 7 score in creating physical well-being by providing basic health care possibilities and workshops on healthy diets a few times a year. The interviews reveal that physical results are only recognized after a few months or years and thus the newly established brands did not score for this indicator. The garment workers claim to have enhanced nutrition and less physical pain such as headaches and back pain. "We all had anaemia when we came to the centre and didn't get our periods because of lack of vitamins but now we have a healthier life because we can finally afford good food. I also feel that my back pain is gone. Three years ago, I was working as a farmer on the field for about 12 hours a day, now I work only about 6 hours a day. My job is less intense and for one year I have no more back problems." (Female garment worker). Regarding the 6 analyzed external business model brands, 3 score in creating physical well-being as the projects they fund have physical welfare of the people exposed to the projects as their main goal. One brand has a special focus on providing food to street-children in India to reduce mal-nutrition, one was funding eye exams, eyeglasses and cataract surgeries and thus restored vision for 13,000+ people in several developing countries and the third brand scoring in this category funds food security programs to enhance the diet and reduce anaemia in a small farmer community in Tanzania.

Regarding the *Mental well-being* indicator (*fig.8*), each of the 10 brands practicing the embedded business model score in creating mental wellbeing. Each brand offered weekly workshops or gatherings where the workers can openly share their problems and anxieties."



Not only my physical health got better, but also mental health. When I am stressed or worried, I can always share with the staff and other workers from the centre”, (Female garment worker). The 2 brands working with disabled people and one working with survivors of human trafficking and sexual abuse, offer further special mental support for these garment workers such as psychological and trauma therapies “The ten disabled people we work with, including my grand-mother, got much more confident and mentally stable due to the therapies we provide them with. Before joining, they were shy and suffered from depression.” (Female SE founder). From the 7 analyzed integrated SE business model brands, 5 score in creating mental health. All workers from these brands mention that having a well-paid job in a secure and caring environment, immediately reduced stress and enhanced sleep. “I had severe depression previously and because of economic reasons often got beaten up by my husband. This has very much changed now that I have a stable job. I can sleep again and feel less stressed.” (Female garment worker). Considering the external SE business model, the 3 brands who fund social initiatives helping disadvantaged people such as street children score in this indicator as they help to provide mental support and therapies to help to get them back to life.

5.2.3 Education

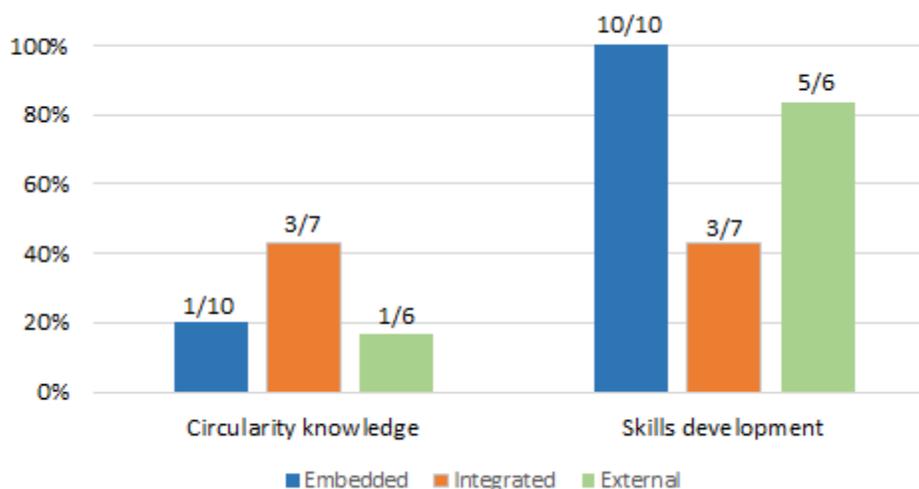


Figure 9: Results of the education indicators for the three SE business modes

Considering the indicator *Circularity knowledge* (fig.9), the embedded SE business model scores with 1 brand that educates their garment workers by giving workshops on circular topics such as up-cycling and environmental protection. For the integrated SE business model,



3 brands are scoring. Even though the workers do not understand a hundred percent the meaning and usefulness behind this concept, due to the fact that 2 of these Western brands visit the garment workers regularly, they do get introduced to Western circularity concepts such as reusable water bottles, packaging or hygiene kits. “They introduced us to re-usable hygiene kits for menstruation. This is something we didn’t know about before. Another client of ours provided us with colourful water bottles and explained to us in which way these tools are better for the environment than the disposable items we use.” (Female SE Founder) The third brand scoring in this category is creating items with the workers that have slogans such as ‘we care for the planet’, ‘we love sustainability’ or ‘This T-shirt is made out of ocean plastic bottles’ written on them. “The women in the centre sometimes ask me what this means or why someone would like to have this written on a t-shirt, they mostly giggle because for them it is absurd that someone wants to wear a t-shirt where this is written on it. But I do think that they slowly start to understand the concept behind” (Female SE founder). Regarding the 6 external business model brands, only 1 is creating circularity knowledge as it is funding a girl education project in India educating girls also on recycling and environmental protection.

For the *Skills development/education* indicator (*fig.9*), all brands following an embedded SE business model score as they are providing on a weekly-basis educational program. Out of the 10 brands, 6 educated the workers on reading and writing in their local language and English, 7 offered maths and business courses mainly on how to set up a dairy or farming business and 4 of them provided the workers with education regarding women’s rights and topics such as menstruation and pregnancy. All 10 brands claimed that education is one of the most important aspects they want to provide to their workers. “This work taught me the importance of education and self-reliance, and I am determined to transfer this knowledge to my children and especially my girls.” (Female garment worker). Furthermore, 4 brands also offer educational programs, sponsored school fees and even school transportation for the children of the garment workers. Additionally, 2 out of them employ out-reach workers promoting education for girls in the community they work in. “I really think education is key to make a community grow. Through education and practical training, women get the chance to become skilled tailors, creative entrepreneurs and independent individuals.” (Female SE founder). These results touch upon the findings of Schröder (2019) who assesses in which way marginalized communities in the Global South e.g. women in India could benefit from a CE business model that considers also social aspects such as education.

Considering the brands following an integrated SE business model, 3 score for this indicator. The SE founders working with these brands claim that the item production has priority but that they would try a few times a month to give workshops on topics not linked to clothing production which are organized and funded by the brands. Out of the 3 brands scoring in this



category, all 3 of them provide education on women’s rights and female hygiene, 2 give lessons in reading and writing, 2 provide computer courses and 1 even had a library established in the working centre for the workers’ children.” “I love when I get English lessons in the centre and at the same time I see my two sons sitting in the library next to us reading some books. Considering our background, I never imagined that one day me and my children would be able to read.” (Female garment worker). Regarding the external SE business model, 5 out of 6 brands create value regarding education. In fact, 3 out of them fund projects linked to school enrolment for girls in remote communities and finance boarding schools “I go to school now, learn English and jewellery-making which brings me a lot of joy.” (Young female participant of a social initiative) The other 2 fund projects educating poor farmer communities in Africa on organic agriculture practices and business strategies.

5.2.4 Equity & Diversity

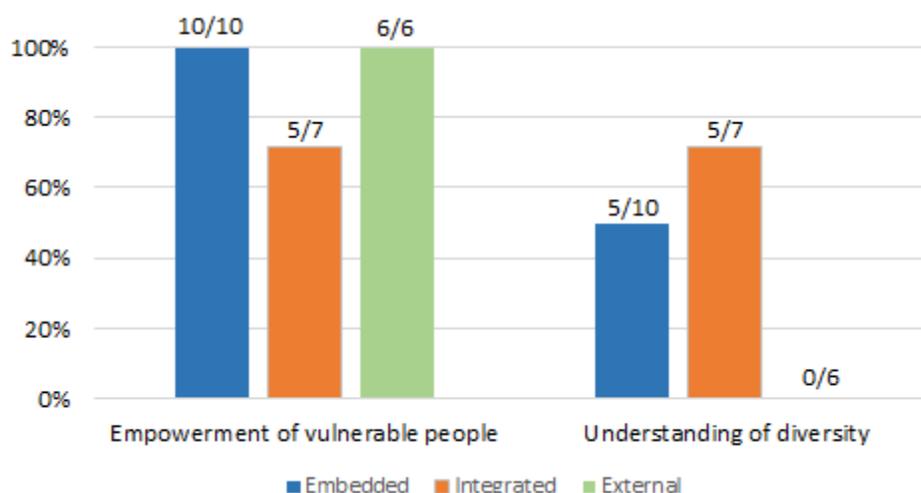


Figure 10: Results of the life quality indicators for the three SE business models

Considering the indicator *Empowerment of vulnerable people* (fig.10), all 10 brands practicing an embedded SE business model are creating value and claim that in fact the empowerment of vulnerable people was the main reason behind establishing the brand. Out of the 10 brands, 5 focus on marginalized and financially unstable women such as widows, unprivileged women from rural areas, refugees or sex workers mainly in India, Nepal and Israel. Due to the preservation of century old misogynistic cultural norms in these countries towards women with such backgrounds, they are often humiliated and rejected from their communities. In India for example a widow is “Forever burdened by the misfortune of having outlived her husband and considered physically alive but socially dead,” and thus rejected not only from their family but also village. “I became a widow by the age of twenty-four. I had to leave my



village and home and was scared to not find back to life anymore. Then I heard about Sambhali trust and that I could find work there even though I am a widow. Now, I have a job, am able to live in my own apartment and have a more free life.” (Female garment worker).

Furthermore, 3 out of these 10 brands are working with endangered communities practicing century old traditional handicrafts, such as special weaving techniques in India and shoe designs in Ethiopia, that are about to vanish. They claim that big factories are copying their handmade art, letting it be produced by machines and selling it for about a tenth of the price in the market. “Buyers prefer of course to purchase the cheap machine-made version instead of the original ones made by our villages. Our whole village was scared to lose the jobs that their grandparents already taught them. Thanks to Khamir our art gets preserved and our community can continue to live from our tradition weaving skills.” (Male garment worker). The other 2 brands focused on empowering disabled people in Ethiopia and Ghana, considered in these countries as evil and most often abandoned from the communities due to persisting cultural norms, by creating a working environment adapted to their special needs.

Out of the 7 integrated SE business model brands, 5 are scoring as they empower vulnerable people. 3 provide work to unprivileged women who are widows or disabled with the aim to achieve financial independence and a sustainable livelihood for them and their families. “Working at the cooperative has helped me to find confidence and made me realize that my handicap does not make me different from other people from my hometown. My dream is that the cooperative will one day branch into other countries, to help other women like me all over the world to feel empowered.” (Female garment worker.) The other 2 brands are providing jobs for rural communities in Morocco and Ghana where job opportunities were lacking and thus most people were living in poverty. “ Our desire is to contribute to a more equitable world by giving back and empowering unprivileged communities.”(Female brand founder). Regarding the brands practicing an external SE business model, all of them are scoring. Out of the 6, 3 focus on street children in India and Morocco by funding their education and providing them a home, 2 fund projects linked to job and skill creation for impoverished communities in Uganda and Tanzania, and 1 empowers people with a visual disability in India.

Considering the indicator *Understanding of diversity (fig.10)*, 5 brands practising an embedded SE business model are scoring. Firstly, 3 brands operating in India and Nepal mentioned that the female garment workers accept each other despite their different skin colors, religions and castes they belong to and that this was quite a challenge to achieve. “ In India it is deeply knitted into our culture that people from different castes and religions do not interact with each other and that women are considered less worthy than men. To break century old perceptions is quite a challenge” . (Female brand founder). The brands provide workshops and



courses regarding different religions and cultures in their country in order to make them understand and accept their differences. All 3 brands detected an increased acceptance of diversity not only between the women in the centre, but also in the villages they operate.” On my way to work, men threw stones at me on a daily basis screaming that I was not allowed to work as a woman. Now, 3 years later, I can feel that my work and my position as a woman is finally accepted.” (Female garment worker). Secondly, 2 other brands focused on creating work for disabled people leading to a higher acceptance of them in the villages they operate in. “Through this work I have found a voice within my community that I never had before. As a disabled woman I was ignored and considered as a burden. Now people greet me when I go grocery shopping and I feel joy in the appreciation others have for my work.” (Female garment worker)

Out of the 7 brands practicing an integrated SE business model, 5 are scoring for this indicator. All brands mentioned that due to the fact that they work with Western clients who visit them regularly, the garment workers become more aware of the respect and inclusion of the diversity and equality among people. Each brand claimed that the fact of working with partners from different continents, skin colors and religions widened the horizon of the garment workers. “The first time our partner Stefanie, tall and light-skinned, visited our centre in India, the women couldn’t believe that people with that look exist.” (Female SE founder). Furthermore, the founder of this SE based in India explained that initially, the women did not want to converse with each other and were regrouped regarding the castes and religions they belong to. One particular woman who was the only one belonging to no caste and thus considered as an “untouchable” and bringing bad luck if touched, used to be ignored by her co-workers. In order to change this perception, the fashion brand producing with this SE came up with the idea to make this woman the manager of the library created for the children of the garment workers. Through this, the children would be forced to touch something that she touched as well.

First, they were scared and also their mothers prohibited them to rent out a book, but then Stefanie touched the items previously held by Sarmili and even hugged her in order to demonstrate that nothing bad would happen. “Through this, the children and also the other female garment workers started to understand that old traditions like caste systems should not matter and that we are all equal. Today, there is zero tolerance for any discrimination in the Centre and we hope to transmit the acceptance of our differences to our children and next generations.” (Female SE founder). Regarding the 6 brands practicing an external SE business model, 0 interviews and document analysis mentioned the understanding of diversity.

5.2.5 Social Cohesion

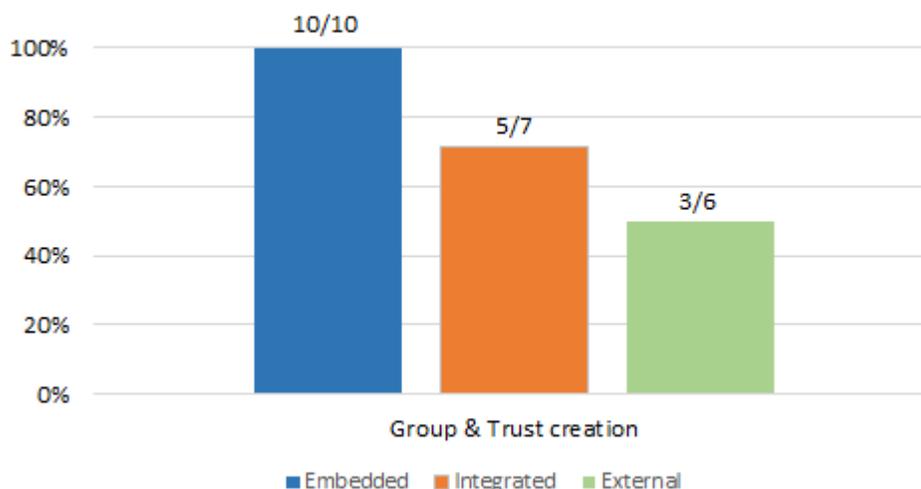


Figure 11: Results of the social cohesion indicator for the three SE business models

Regarding the value type *social cohesion* (fig.11), all 10 brands following an embedded SE business model are scoring in creating value regarding friendship and trust creation. Each brand puts effort into creating a warm and friendly environment between the workers in order to create a place that is more than just a working place, but a safe environment where they can share their problems, dreams and get the social support they need. " The act of sitting together in a supportive, communal environment whilst making creations is therapeutic and helps the people cope with the difficult realities they are facing. They often had to undergo similar strokes of faith and thus they often bond with each other and feel less lonesome" (Male SE founder). All of these brands organize a few times a week special gathering where all the workers can talk about their problems and whatever personal matters they feel like sharing. Three brands also organize workshops like cooking and painting or collaborative group games fostering trust and social coherence between workers. " I am happy that I found a new community and friends among the other workers. We do a lot together outside our working shifts. We like chatting, helping each other with household things, taking care of each other's children and going for walks." (Female garment worker). What I value most about my work are the meaningful friendships and connections, connections that I might not have made otherwise." (Male garment worker).

Considering the brands following an integrated SE business model, 5 brands are creating value regarding friendship and trust creation. The workers from these brands claim that they appreciate working for these brands as they create a family-like environment where for



example the birthdays of the workers and their children are celebrated, they have lunch breaks together and go on excursions. “Last year we went together on a two-day trip to visit a temple organized by work. I have never been on a holiday before, I was so happy to share this moment with my coworking friends who really have become my family.”, explains a female garment worker who was part of a trip organized by the circular brand and SE she works for. Considering the 6 brands practising the external SE business model, the 3 brands funding projects linked to foster childcare and school education create value regarding social cohesion. “Before joining the IPHD girls’ education program I was mostly sitting at home as I was not allowed to leave the house. Now I found friends and other girls with whom I can talk” and another student mentioned “I found a home for life with I-India, the other orphanages became my siblings and my foster mother became like my real mother.”(Female participant of the social initiative)

5.2.6 Technological Innovation

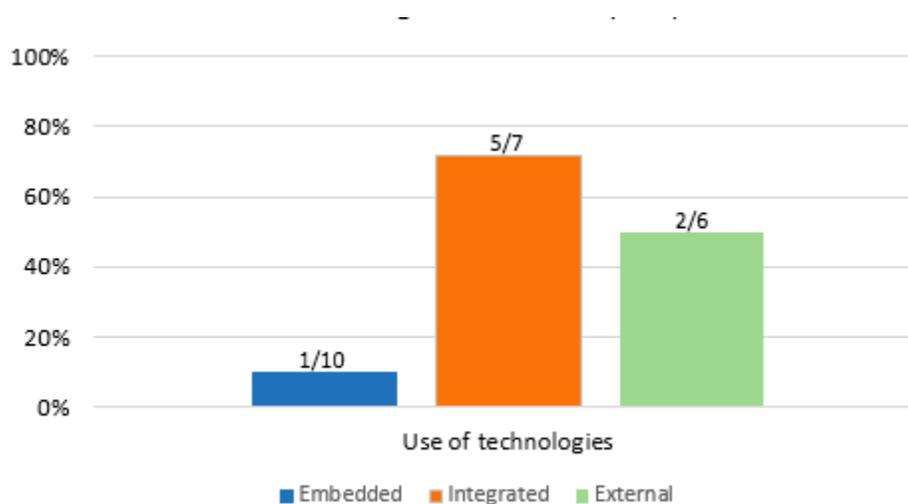


Figure 12: Results of the technological innovation indicator for the three SE business models

Considering the 10 brands practicing an embedded SE business model, 1 brand based in India is scoring in creating value regarding *technological innovation* as it provides tablets to the workers during the Covid-19 lockdown in order for them to communicate with each and to monitor the production from home. Through this the brand furthermore organized that the worker’s children could be able to attend the virtual school course they put in place for them. From the 7 brands that follow an integrated SE business model, 5 brands are creating value regarding use of technology as they integrate innovative technologies into the production and learning process of the garment producers in order to finish production on time and to reach the level of quality needed to sell in the Western market. “ Our Western clients are often very time bound and demand high production quality, thus we need to work in an efficient way.”



(Female SE founder). In collaboration with their partner SE, each one of the brands integrates phones, tablets or computers into the production process in order to monitor and communicate each production up-date between garment producers, SE members and the fashion brand. " We have now four smartphones available in the production centre. If I (founder of the SE) am not able to go to the Centre to check on production, the women can simply send me pictures of the newly produced garments with the phone and I send it straight away to our partner brand. Like this we can communicate on designs and further production steps within minutes." (Female SE founder).

Furthermore, they use technology to increase the skills of the workers." As soon as an item is finished, the garment worker puts the production details in the iPad system. Like this we can have an overview of who did what. If we see that a major qualitative mistake is in an item, we can trace back who produced it. Through this we can enhance our workshops and adapt the skills training to each worker individually." (Female SE founder). Out of the 10 brands, 6 also have an impact on the technological use of the garment workers outside their work as these garment workers bought a smartphone themselves with their salary which eases their life significantly." Before I started working here I didn't have a phone and didn't know what a tablet was. Now I bought my own smartphone with my salary. I can call my family, browse the internet and make pictures with my working colleagues which we can send straight away to our partner brand based in Europe. It is like a new world that opened up to me. "(Female garment producer). From the 6 brands following an external SE business model, 2 are creating value with regard to innovative technologies for the people in the Global South as they fund projects linking rural areas to innovative agricultural technologies such as dripping irrigation and solar panels in Tanzania and Ghana.

5.2.7 Structure

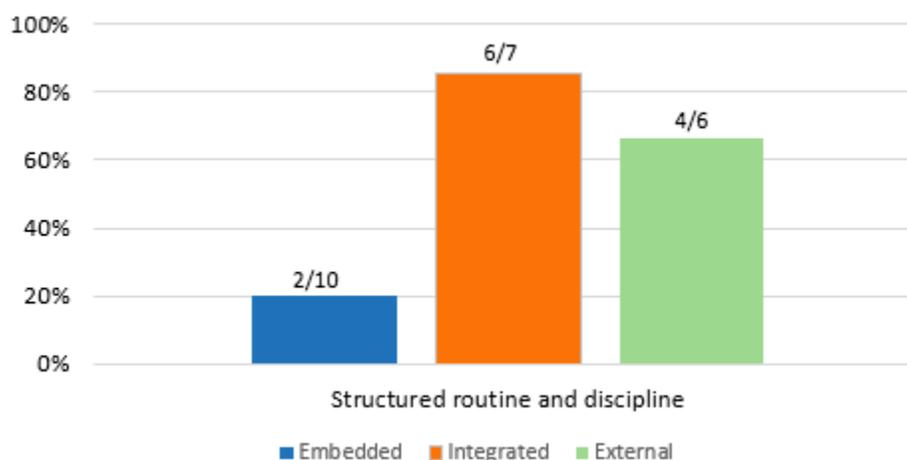


Figure 13: Results of the life quality indicators for the three SE business models

Regarding the value type *structure*, 2 out of the 10 embedded SE business brands are scoring by creating structured routines. The interviews with the workers from these two brands reveal that due to the fact that they have fixed working hours and duties, they established a certain routine and discipline. “I wake up every morning at eight and go to work until five. In the beginning we had flexible working hours and could come to the centre whenever we wanted. But I have to say I prefer having a clear structure because it gives me a feeling of being needed and that my work is taken seriously.” (Female garment worker). Considering the 7 brands following an integrated SE business model, 6 are creating value for the workers by creating a routine and discipline. All of the workers claimed that before joining the SE and working for these Western fashion brands, they had no clear goal or structure in their life. They all have fixed working hours and need to follow a certain schedule in order to finish production on time. At first, the SE founders and fashion brand owners were worried this would cause too much pressure on the garment producers, but the interviews show that the garment workers enjoy a regulated working rhythm. “What I actually like the most is that I have structure now in my life. In the beginning I thought I would not be able to have a routine and I felt too weak to get out of bed. My work taught me discipline and that I can do it. Now I work every day for six hours at the centre and I start every morning at 8:00.” (Female garment worker)

Regarding the 6 fashion brands following an external SE business model, the 4 brands funding projects linked to education or establishing jobs in rural communities scored in creating structure for the people participating in these projects. The people participating in the educational program, mostly young girls, claimed that the fact of attending school every day brought structure into their lives. “What I really like about this program is not only that I am able to get an education but also to have found a routine. My life is much more organized now which is a pleasant feeling. Before I was at home and not allowed to leave the house. No, I



wake up every morning and am motivated to start the day.” (Female participant of the social initiative). The people participating in the projects aiming to develop skills and resources in order to lift themselves and their families out of extreme poverty mentioned as well how much they appreciate the routine and structure that got created for them. “It is a nice feeling to wake up in the morning and to have a goal for the day. Since I am part of the project of ‘Cooperation Nord-Sud’ I am attending three times a week workshops linked to agriculture which gives me a new drive in my life to leave the house.”(Male participant of the social initiative)

5.2.8 Summary and level of reach

In order to get a clear overview of the results of the social value created in the Global South, a table including all the quantitative findings is given as a summary hereunder and will be used to create the comparative matrix table in the discussion part:

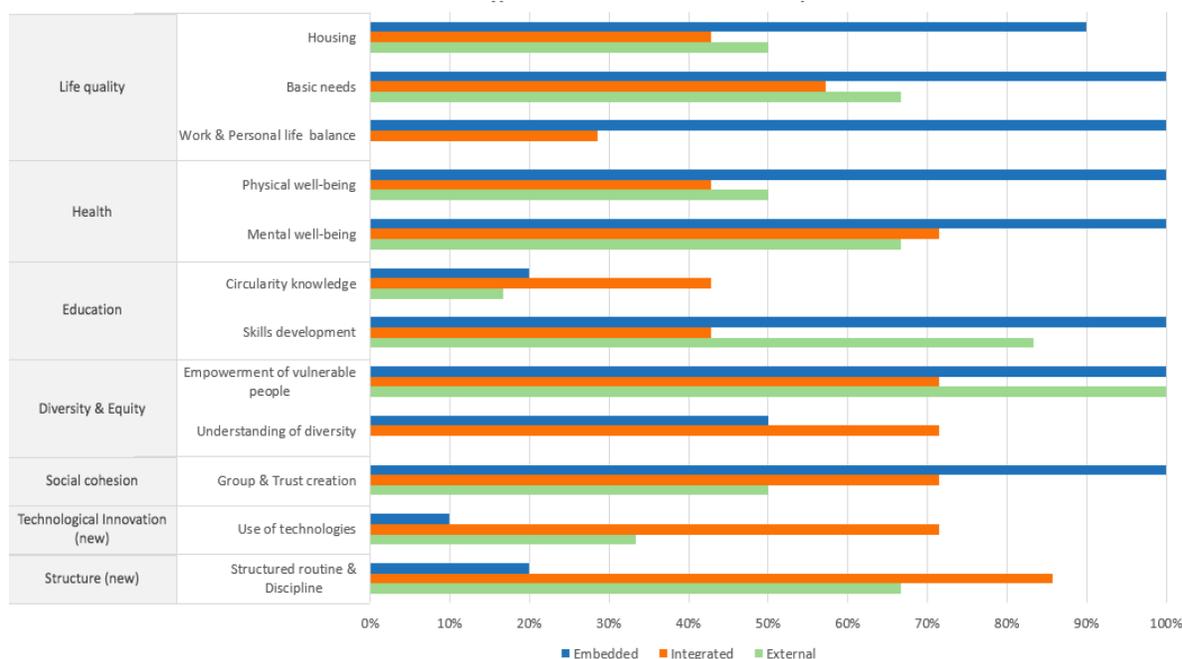


Figure 14: Social value types created in the Global South by the three different SE business models: embedded, integrated and external

Furthermore, the findings reveal that the level of reach of the social value creation is different for each brand. Some brands created value for the individual garment workers or participants in the social initiatives, others created value for the families or even communities. Thus, each brand within the three SE business models is also evaluated on the level of reach of their impact going from individual, to family and community. The results can be shown in fig. 15:

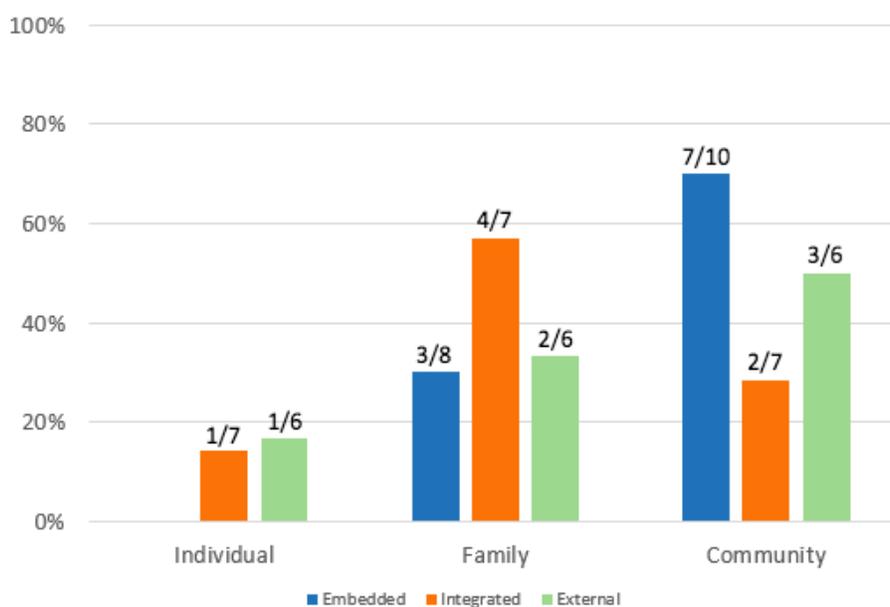


Figure 15: Results of the level of reach of the impact of the three SE business models

Individual: Considering the 10 embedded SE business model brands, none scored in creating value only for individuals. Out of the 7 integrated SE business model brands, 1 creates value for individual workers. The interview reveals that this is due to the fact that the garment workers are widows who often have no families and work in isolation from the society thus it is difficult to spread the value created for them also to the people around. For the 6 external SE business model brands, also 1 brand is creating value only for individual participants of the funded social initiative. The interview revealed that the level of impact is not going beyond the individual reach level yet as the brand only recently started funding a newly established social initiative. This aligns with findings from Christens (2011) and Kilpatrick (2009) who claim that a change on family and community level can take months, up to years as creating social impact is a slow and incremental process.

Family: Regarding the embedded SE business model, 3 brands created value not only for the individual workers but also for their family. The workers claim that the fact of working at the SE not only enhances their life but also the lives of their family members. This is because the garment workers can provide e.g. healthy nutrition and education to their children themselves due to their well-paid job or because the SE, they work for provides these kinds of services to the workers and their families. "What I like most about working here at Sambhali is the independence and the fact of receiving healthcare for the whole family and having the children sponsored to go to school." (Female garment worker)



Out of the 7 brands following an integrated SE business model, 4 scored in creating value not only for the individual workers but also for their families. This is mostly due to the fact that workers receive fair salaries and decent working hours and can thus offer more time and money into their families. Mainly benefits regarding health and education were mentioned “Everything I learn in the Centre, I teach to my girls at home. Before I had to work long hours on the cotton fields and did not have much quality time with my children, now I play every evening with them and teach them the English words I learned.” (Female garment worker). The garment producers of these 4 brands also mention the health benefits of their family” Since I work here I am able to provide good food to my children, now they do not suffer anymore from anaemia.” (Female garment producer). Considering the 6 brands having an external SE business model, 2 created value not only for individuals but also for the families as they fund organizations in the Global South creating jobs for farmers or single mothers where the whole family is positively impacted by getting enhanced healthcare and food.

Community: Regarding the 10 brands following an embedded SE business model, 7 brands have an impact not only on the individual workers and families but also on the communities the garment workers live in. In fact, the main reason why these SE got established was to give work to unprivileged and excluded minority groups (widows in India, wives of farmers, poor communities, disabled people). The circular fashion brand founders are local people who either grew up themselves in the marginalized communities they work with or simply see the urge to help them. Some SE’s have an impact on the economic situation of a whole village or community by providing them with work. Others even have an impact on the cultural norms or the behaviour within a community by promoting social change and gradually breaking cultural norms leading e.g. to the acceptance and integration of disabled people in rural areas in Africa or widows in India. “The women who can work from home show the whole household, the neighbours and other members of their village that working and earning money as a woman is a good thing. I can see that more and more villages accept now that women are respected for their work.” (Female SE founder). The founder of eco-shoes, whose grandmother is disabled herself and rejected from the community, claimed that “We got a lot of recognition internationally for our brand and I can feel this recognition also now in the streets of our community. People start accepting disability much more and everyone respects and helps them. I see it on a daily basis with my grandmother who is also working in our organization. This makes me incredibly proud as this is exactly what we wanted to achieve with our work”.

Considering the 7 brands following an integrated SE business model, 2 create value on community level. One example was given by brands working with women in India. Due to the fact that they give work to widows as well as people from lower castes in a small rural area,



the people from the village started to change their prejudices towards these minority groups. “Through this, the children and also other women started to understand that old traditions like cast systems should not matter and that we are all the same in the centre. Today all the women are like one big family, there is zero tolerance for any discrimination and we can feel this also already spreading out in our little village.” and “ In general the atmosphere in the village is much better now that the people accept our work.”(Female garment worker)

Regarding the brands with an external SE business model, 3 score in creating value on a community level. This is because the social projects these brands are funding have the aim to create as much social impact for unprivileged communities as possible such as street children, poor farmer communities or disabled people. “Our farmer community used to be very poor, since we learned new farming skills and were provided with new equipment, first our families were able to achieve financial stability and now three years later you can even feel a sense of financial and emotional stability in our whole community.”(Male participant of the social initiative).

5.3 Brand value type creation

The following section will present the results aiming to answer the second research question regarding the value that is created for the circular fashion brands. Table graphs are created for each one of the 5 analyzed brand value type showing the frequency of the different value type indicators that were mentioned by the brands belonging to one of the 3 SE business model categories. These quantitative results are presented through relative and absolute numbers in order to have an overview of the result for each brand and to be able to compare the performance between the different SE business models. In order to give further insight, the quantitative information from the graphs are complemented by a qualitative description for each value type indicator.

5.3.1 Revenue growth and market access

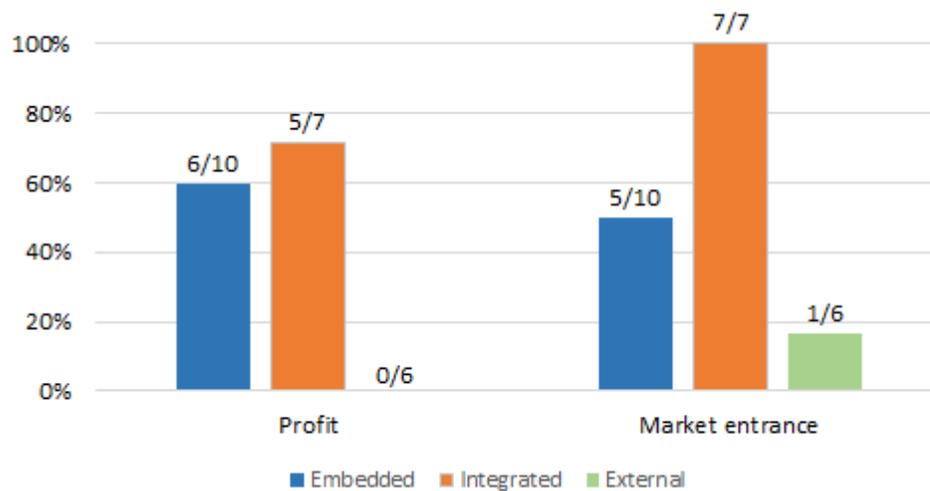


Figure 16: Results of the revenue and market access indicators for the three SE business models

Considering the *Profit* indicator, the 6 brands that have been established the longest out of the 10 brands following an embedded SE business model, have created significant profit over the last years. They claim that it is extremely challenging to create profit as the expenses of setting up the social structures such as the construction of the working centre, machines needed for clothing production, workshops etc. Are extremely high. Nevertheless, 6 out of them were able to get recognized for their social work and products, could slowly grow their company and create steady and sustained profit growth.

Three brands revealed some of their numbers. The production of Eco-shoes, a shoe producing SE in Ghana, went from 500 pairs in 2013 to 1500 pairs in 2014 and over 8'000 pairs in 2019 with an annual profit of around 150'000 dollars. Kuchinate, a SE producing garments in Israel, sold in 2019 over 9000 items worth over 200'000 dollars. " Especially during the last three years we noticeably increased our financial income, our profit more than doubled during that time frame"(Female SE studio manager). Solerebels started 2004 with less than 8'000 dollars in capital raised from family and friends. Today, they employ 100 artisans, work with 200 local material suppliers and produce over 70'000 pairs of shoes per year with an annual revenue of 10 million dollars and have a net worth of 5 million dollars. " We started with only 8000 dollar and today we are considered the world's fastest growing African footwear brand and the first to emerge from a developing nation. We are so proud to have created a sustainable item that people like to buy and that is financially uplifting our whole community. We are the living proof that a social enterprise creating value for a community can also lead to financial benefits for a



company” (Female SE founder)

All 7 brands practising an integrated SE business model claimed that especially the first year is tough regarding profit creation as building up a brand that is producing with a SE always comes with some challenges e.g. slow production, delayed delivery, mistakes in the clothes. ” We really try to align our activities with slow and sustainable fashion which also means that a business can only grow very slowly and that profit growth, especially in the beginning, is slow.” (Female brand founder). Nevertheless, the 5 brands that have been established the longest were able to make significant profit over the last years. Two of the brands revealed further insight about their numbers. A Beautiful Story based in Amsterdam started in 2008 as a 500 Euros business with only a few jewellery pieces made by a SE in Kathmandu but sells today in over 100 shops turning the brand into a multi-million business. Tassel and Tales from Austria started in 2015 with a budget of 1000 Euros and sold 2019 over 1000 pieces creating revenue of over 100’000 Euros. ”It is so rewarding to demonstrate that in the end social businesses do have the potential to not only create social impact for the people they work with but also profit for the company.”(Female brand founder). None of the brands practicing an external SE business model claimed that the fact of funding social projects would create profit for them. ” The fact of financing a social initiative does not lead to financial outcome for us. We mainly communicate about the recycling part of our business, that is what we stand for.” (Male brand founder)

Considering the *Market entrance (fig.16)* indicator, 5 out of the 10 brands practising an embedded SE business model mentioned an easy market entrance but only on the international level, the national market is apparently still difficult as there is no demand for ethical clothes in their country. ” In the beginning, we sold mainly in our shop to tourists but now we sell a lot online to international clients who found us via social media. Most clients are from Europe who appreciate and understand the story behind our handmade items.” (Male SE founder). All 5 brands furthermore mention that it is due to their strong online presence on Instagram and Facebook that they were able to enter the international market successfully and that especially since the last three years they could feel an increased demand for sustainable items. These findings align with the research results of Taylor & Silver (2019), who found that people in emerging and developing markets are increasingly using social media tools due to increased internet and smartphone accessibility in the last 6 years and that numbers will continue rising leading to a growing visibility of the activities made in developing countries.

Regarding the 7 brands following an integrated SE business model, all 7 claimed that it was



significantly easy for them to enter their national market as they offered items that were missing. “We feel that it was much easier for us to become visible due to the fact that our sustainable clothes, created in an ethical way, represent items that are currently demanded. Thus, access to the local and international market was very easy.” (Female brand founder) Furthermore, 5 of these 7 brands mentioned that most shops and retailers approach them instead of the other way around. “We were worried not to be able to find shops who would be willing to sell our items. But today on a daily basis people and shops reach out to us to work with us and sell our items.” All 7 brands mentioned that they sensed an increased demand for sustainable fashion in the last 2-3 years and that a whole new sustainable market section within the fashion sector is opening up with shops, pop-up stores and venues exclusively dedicated for sustainable fashion.

Considering the brands following an external SE business model, 1 brand mentioned that the fact of funding a girls’ education project helps to position herself in the sustainable fashion market. “When we started Zazi-Vintage, we did not only communicate about the up-cycling aspect behind the brand but also about the social project that we are funding which, I think, really helps us to position ourselves not only as an environmental friendly but also ethical fashion brand.”(Female brand founder)

5.3.2 Access to capital

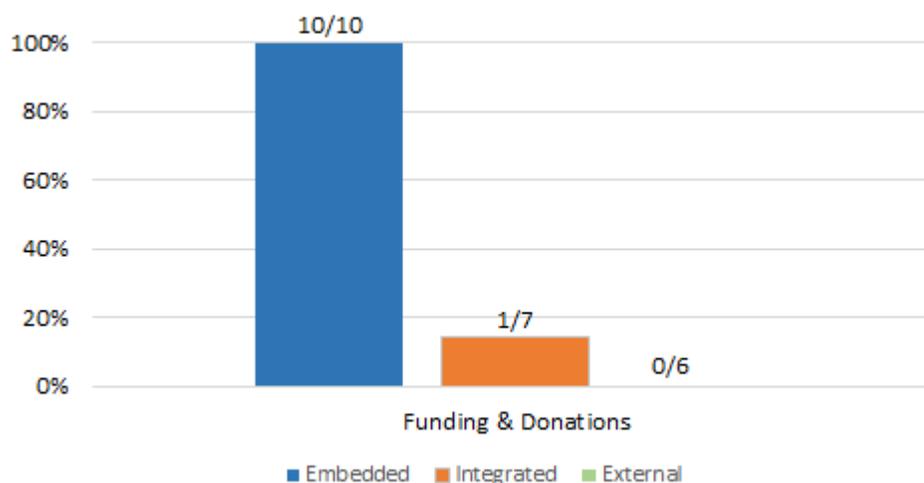


Figure 17: Results of the access to capital indicators for the three SE business models

Considering the *Access to capital* indicator (fig.17), all 10 brands following an embedded SE business model claim to have received numerous donations and funding due to their social



initiatives. Among the 10 brands, 4 received funding from their local government to financially support specific projects and 6 got international donations from individuals, businesses, charitable foundations, or governmental agencies. One brand based in India for example received funds of up to 10'000 Euros from 'Friends of Women's World Banking, India', 'Suzlon Foundation' and a few individual investors from Europe. Another brand received a donation of over 15'000 Euros from the Luxembourgish government to build a new training centre. Furthermore, 6 brands mentioned that especially during the Covid-19 crisis they received a lot of financial aid, mainly from international foundations and governments. "Because of our social action we get a lot of help and donations currently which will be crucial for us to be able to survive this crisis"(Male SE founder)

Considering the 7 brands following an integrated SE business model, 1 brand received funding by a fundraising organization in Germany in order to help the brand to further develop the ethical mission behind the brand. "They especially liked the fact that we work with a SE that aims to educate not only the garment workers but also their children. I guess that's why we received the money." (Female brand founder). Considering the 6 brands following an external SE business model, none mentioned that they got donations because they are funding social projects." MyEinführung is not creating the social value itself, it is the North-South Cooperation we are funding that creates the impact. Thus I guess it is understandable that we do not get financial aid or much recognition for our social engagement." (Female SE founder).

5.3.3 Risk management

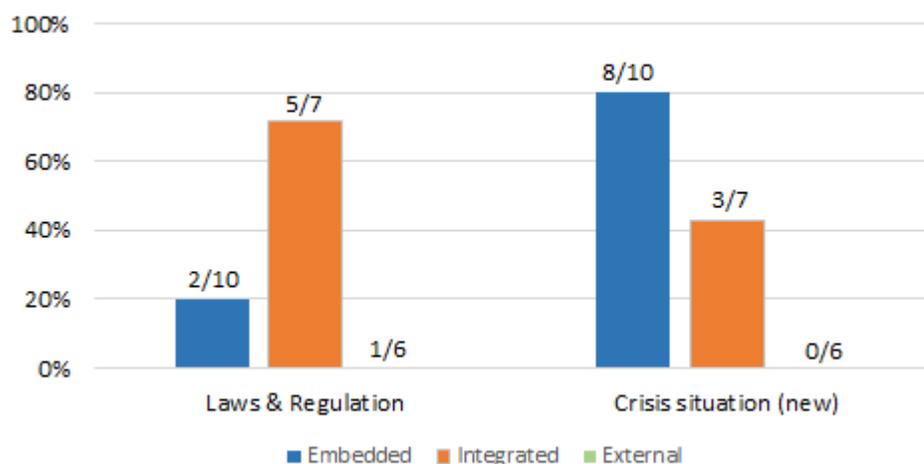


Figure 18: Results of the risk management indicators for the three SE business models



Looking at the *Laws & regulation* indicator, 2 out of the 10 brands having an embedded SE business model mentioned that the fact of being a social enterprise and producing in an ethical way will create an advantage for them in the future when laws regarding ethical aspects will be put in place. The 2 brands are based in Ethiopia and Ghana and both mentioned that their governments are planning to establish a minimum wage to ensure decent living conditions for the factory workers and extensive training. "The Ethiopian government's eagerness to attract foreign investment led it to promote the lowest base wage in any garment-producing country fixed now to 26 dollars a month. The garment working conditions here are horrible, but once regulations will be in place the situation will hopefully get better and we will be recognized for our work." (Solerebels, founder) The other brands claimed that due to the fact that in most countries in the Global South regulations on businesses are quite loose and no strict laws exist on social aspects, most brands do not see that value can be created for them regarding law or regulations.

Considering the brands practicing an integrated SE business model, the 5 brands that are based in Europe believe that stricter ethical laws and regulations regarding fashion will be put in place in the future and that thus an advantage will be created for them due to the fact that they produce with a SE. Although most requirements on fair and sustainable production are still non-legal, the pressure for legislation is building. One brand from Germany gave further insight by explaining that the German government for example has already united 50% of the national fashion industry in a sustainability agreement with numerous criteria and claim that other EU countries are thinking about similar approaches. They consider this initiative as a prelude to legislation either on national or EU level and that thus apparel manufacturers should expect stricter requirements on transparency and CSR in the coming years." In that case hopefully all the brands not aligning with the law will be forced to close down and the brands who have been producing in an ethical way for a long time will be remunerated for their ethical work." (Female brand founder). Considering the 6 brands having an external SE business model, none are scoring for this indicator. "The fact of funding projects of the North-South cooperation is not going to create value for us considering laws on ethical production. We produce our garments in a fair way in Italy, but the funding part will probably not give us any value regarding legislations" (Female SE founder)

The *Crisis Situation* indicator is a new value category that emerged out of the interviews. The coronavirus pandemic has had a major impact on fashion brands worldwide, especially the ones that have followed supply chain trends, such as outsourcing and offshore manufacturing and globalisation, ending up in confusing networks (McKinsey, 2020). Never before supply chain vulnerability and lack of transparency have been visible to such a degree in the fashion



industry, making crisis situations an important issue and critical challenge (Mucelli, 2015). Even though all brands claim that they are facing challenging situations, a few of them also recognized the positive advantage they get out of this crisis. From the 10 brands practicing an embedded SE business model, 8 mentioned that during this crisis the advantages of being a SE regarding risk management performance came to light. "You can really see the benefits during this crisis of running a company based on social aspects and short as well as transparent supply-chains. I truly believe that we have better chances as a company to survive in these times." (Female SE founder)

All of the 8 brands mentioned that they have managed to adapt very quickly to the Covid-19 restrictions, 4 of them changed the working conditions in the centre to minimise exposure to the virus and the other 4 put a system in place where the workers could be able to produce garments safely from home. "Our whole supply chain is located in the same town as we all live next to each other. We could act immediately upon the Covid Crisis and make sure everyone is fine. We managed to adapt our production within a week to the given restrictions and could thus continue our work from our homes." (Female SE founder)

Considering the 7 brands following an integrated SE business model, 3 out of them mentioned that the Covid-19 situation revealed their resilience to crisis situations due to the close relationship they have with the SE they produce their clothes with. They are in contact with the SE on a daily basis and brainstorm together to come up with ideas to act upon unpredictable events. "I really think that I have fewer risks compared to other big fashion businesses. There are no other middle men in between us which increases the transparency and trust. Especially now during the Covid Crisis the benefits of our business strategy can be seen." (Female brand founder). Considering the brands practicing an external SE business model, none mentioned that value got created for them regarding risk management. "Funding projects of I-India does not create any value for us regarding risk management as these projects are not part of our production supply-chain and have thus no influence on how we handle risk situations." (Female brand founder)

5.3.4 Reputation

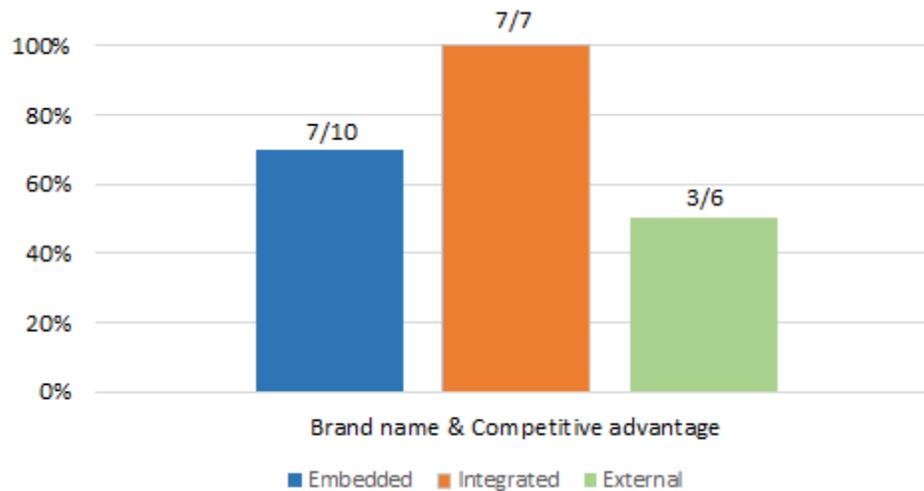


Figure 19: Results of the reputation indicators for the three SE business modes

Out of the 10 brands analyzed from the embedded SE business model, 7 mentioned that value was created for them considering the indicator *brand name and competitive advantage*. Due to their social achievements, they receive especially internationally a lot of attention where the demand for ethical fashion is growing. Four brands mentioned that they received prizes and awards for their social engagement. “We won two prizes already because of our social activities, one was an online course on social impact scaling, and one was that we could be part of a fashion show. It was a recognition for what we do and opened other opportunities.” (Female SE founder). All 7 brands furthermore mentioned that in the last 3 years they got increased attention on social media. Especially Instagram is an application they like to use as they can show their programs, workshops and the people behind their work for free. HattiHatti Nepal had 500 Instagram followers in 2017 and today over 7000 and Khamir mentioned that alone in 2020 the people following their stories went from 6000 to 9000. “ We showed on Instagram what we were doing during corona and how we were coping with the situation. Instagram is such an important marketing tool for us as we can tell our story and show the artisans behind our items without having to pay for it.” Another example of increased recognition was given by the founder of Sole rebels who was mentioned in Forbes list of “100 Most Powerful Women” and got listed by Business Insider as one of “Africa’s Top 5 Female Entrepreneurs” in 2012 due to her social business approach.

Another founder of a SE based in Peru explained that when she participated in some fair fashion events in Europe in 2019, she realized that because of the personal touch of her items



the people were more interested in her hand-made garments than in the other products showcased. “Many other brands were just producing with certified factories or just had the environmental aspects, but the people loved to hear the stories of the women we work with and also to see the pictures of them. Never before I realized more our competitive advantage”. In fact, numerous theories exist showing that the degree of favourableness/unfavourableness of a company’s reputation derives from ethical/unethical beliefs consumers hold about a company. The more detailed and personal information regarding production a company can reveal, the better its reputation will be (Brunk, 2010; Fan, 2005). Furthermore, the 3 brands that did not score in this category, are the ones that are the least present on social media.

All 7 brands following an integrated SE business mentioned that reputation was created for them for similar reasons than mentioned for the embedded SE business model. They all claimed that being able to communicate about the sustainable stories behind their items and to show the producers behind their garments on social media has a significant impact on their brand name. Each of the 7 brands is revealing on a daily basis behind the scenes stories and show in which way they aim to be a sustainable brand. “ The people love the fact that I created the brand in collaboration with a SE and that I visit them regularly. It is important to me to communicate why sustainability is needed in the fashion industry and in which way we incorporate sustainable practices into our business. I share pictures of us working together and the faces of the women who get empowered due to our work.” (Female brand Founder). All brands furthermore claimed that they detect an increase in the demand for ethical clothes. Especially since the last two years their Instagram followers and newsletter subscribers have been increasing since then. Two brands gave further insights: Between 2018 and 2020, Tassel and Tales went from 2000 followers on Instagram to almost 5000 and A Beautiful Story went from about 5’000 to 12’000 followers.” Instagram is an amazing tool to showcase your work if you are an ethical brand. As we can show and explain so much about our items, we can create a much more honest and personal relationship with our clients.” (Female brand founder)

The findings of the embedded and integrated SE business models regarding the way they communicate about their sustainable practices align with the research results of Kvasničková (2020) who compared in which way developed and developing countries communicate on their sustainable practices on Instagram. Her results state that in both, developed and developing countries, charity and social good were common features. Nevertheless, a difference was identified in the area of sustainability. For the developed countries sustainability and communicating about the importance behind this concept, represents an important part of their communication, whereas in developing countries this is not the case. The clear difference was found in the use of the hashtag #sustainability between developed



and developing countries. It was the second most common hashtag in developed countries, but rarely used by businesses in developing countries. This research found the same results. By analyzing the ten last Instagram posts of the embedded an integrated SE business model brands, each one of the integrated brands use the hashtag #sustainability, #sustainablefashion or #circularfashion, whereas none of the embedded brands used these words in their communication.

Considering the 6 brands following an external SE business model, 3 mentioned that a good reputation is created for them because they fund social projects. The brands explained that even though it is not their main business aspect and their items are not produced by a SE in the Global South, the people do recognize their goodwill and give them credits for their social initiative. One female brand founder explained that she got invited to several panels and events in Europe on ethical fashion to explain in which way fashion can have an impact on the Global South and in which way social aspects can be integrated by circular fashion businesses.

5.3.5 Working atmosphere

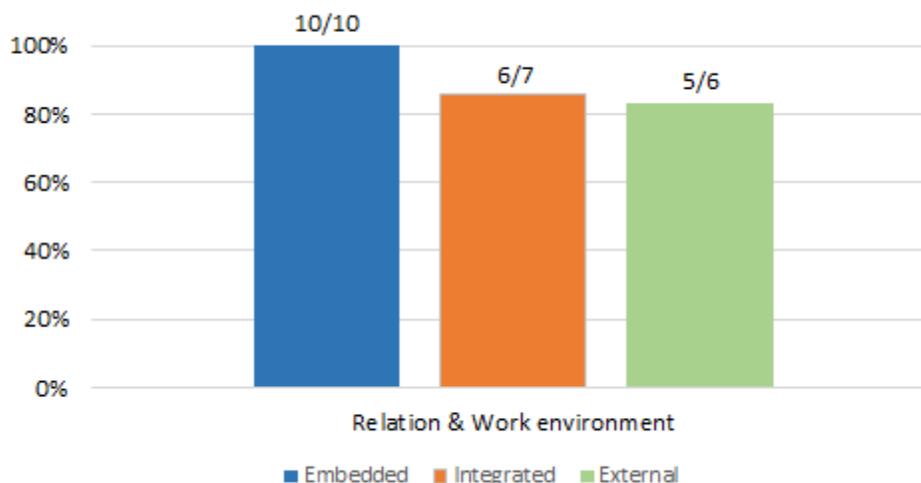


Figure 20: Results of the life quality indicators for the three SE business models

Considering the embedded SE business model brands, all 10 claimed that value regarding the working atmosphere is created for them as they consider not only the garment workers but also the employees from the SE managing the fashion brand as family. Most SEs even have many volunteers and interns helping them on the ground as well as people who help them locally and internationally for free in order to spread the word of their missions. The working atmosphere is warm and considered as friendly similar to the one in a family. They all claimed that with the workers and employees they often do activities outside the working hours like



sport, talking or cooking. “Especially now in this crisis it is great to see how we all stick together. Other brands who do not know their producers and live far away from the workers and other employees have struggles surviving. We try to find solutions as much as possible for everyone.” This aligns with findings from Wang (2011) and Mmemba (2016), claiming that people in developing countries sense a high feeling of community belonging which is also represented in the way they work and interact with colleagues, creating a supportive and family-friendly environment.

Regarding the integrated SE business model brands, 6 mentioned the great atmosphere at work and that all the work colleagues have a very warm and friendly relationship with each other. Furthermore, 3 of them mentioned that they have many freelancers and volunteers who offer their work to them as they want to support the ethical mission behind the brand.” We all share the same values and each one in this company is striving to create the biggest social impact possible. I think having the same drive and passion is very bonding, this is more than just a job for us, it is actually our mutual passion. The social values we praise are not restrained to the atelier in Nepal but are also felt here in our office in the Netherlands.” (Female brand sales manager)

Furthermore, 6 brands following an external SE business model claimed that they have a good working atmosphere within their company and that this is due to the fact that they are dedicated not only to produce environmental friendly items but also want to contribute to social aspects. “You can really sense how all the workers are getting along well, they all share the same value and mission if not they would have applied for a different company.” (Male brand manager)

5.3.6 Summary

In order to get a clear overview of the results regarding the brand values created for the circular fashion brands themselves, a table including all the quantitative findings is given as a summary hereunder and will be used to create the comparative matrix table in the discussion part.

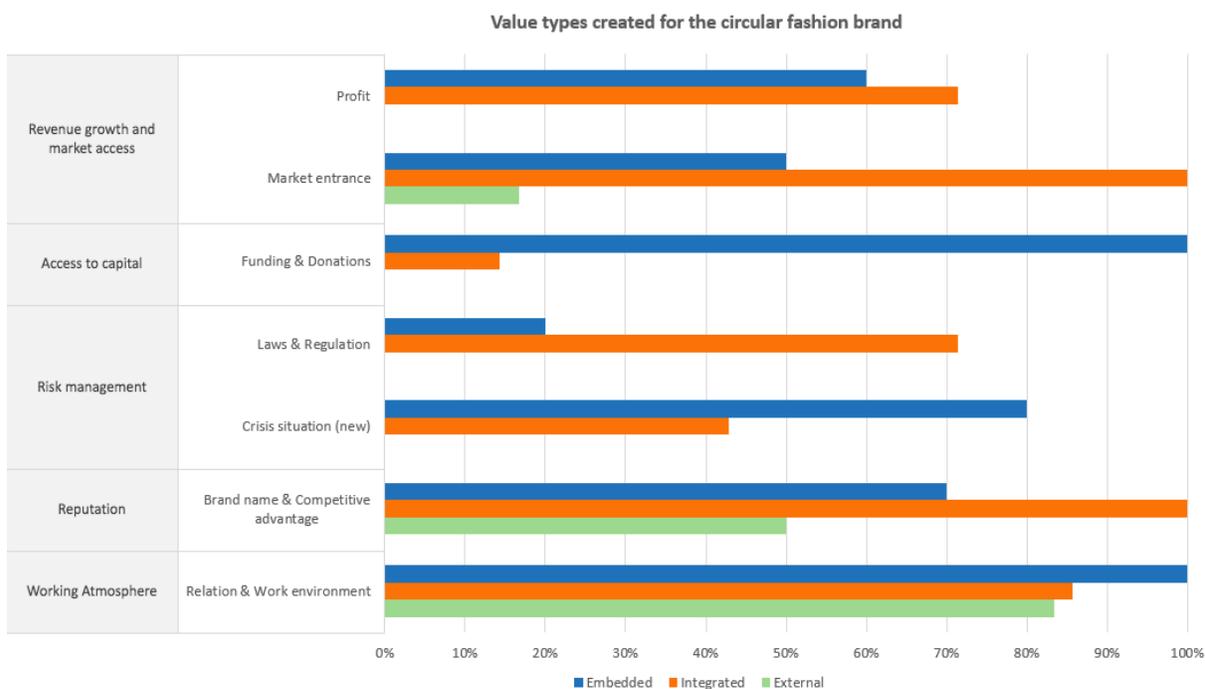


Figure 21: Value types created for the circular fashion brand by the three different SE business models: embedded, integrated and external

6. Discussion

In this discussion section, the results will be analyzed and interpreted in order to fill the literature gaps mentioned in the introduction, answer the two research questions and analyze the given propositions.

6.1 Characteristics of the SE business models

Until now, no literature existed about the characteristics of the three different SE business models as defined by Alter considering circularity and shared value creation in the fashion industry. A *table 9* has been created to give an overview of the results regarding the three different SE business models. The SE business model scores (coloured) if the frequency in the results section of the circular practice and value type indicators is 50% or above. If more than one SE business model scores for a certain indicator, the BM with the highest percentage is framed in red. If the BM scores 100% for an indicator, the box is marked with an X. Through this, the main characteristics of each SE business model regarding circularity and value creation can be revealed and the BM between each other compared.



Table 9: Matrix table showing the main results of the three SE business models regarding circular strategies and shared value creation

SE Business Model		Emb.	Int.	Ext.
Circular practice				
Reusing				
Upcycling				
Recycling				X
Brand value types				
Revenue growth and market access	Profit			
	Market entrance		X	
Access to capital	Funding & Donations	X		
Risk management	Law & Regulations			
	Crisis situation			
Reputation	Brand name & Competitive advantage		X	
Working atmosphere	Relation & Work environment	X		
Legend: Colored = Frequency of 50% or above = Highest frequency compared to the other 2 BM's X = Frequency of 100 %				

SE Business Model		Emb.	Int.	Ext.
Social value types				
Life quality	Housing			
	Basic needs	X		
	Work & Personal life balance	X		
Health	Physical well-being	X		
	Mental well-being	X		
Education	Circularity knowledge			
	Skills development	X		
Diversity & Equity	Empowerment of vulnerable people	X		X
	Understanding of diversity	X		
Social Cohesion	Group & Trust creation	X		
Technological Innovation	Use of technologies			
Structure	Structured routine & discipline			
Level of reach:	Individual			
	Family			
	Community	X		

6.1.1 Embedded SE business model

The information retrieved from the table matrix (*table 9*) is used to create *figure 22* based on the initial framework (*fig.5*) in order to visualize the characteristics of the embedded SE business model.

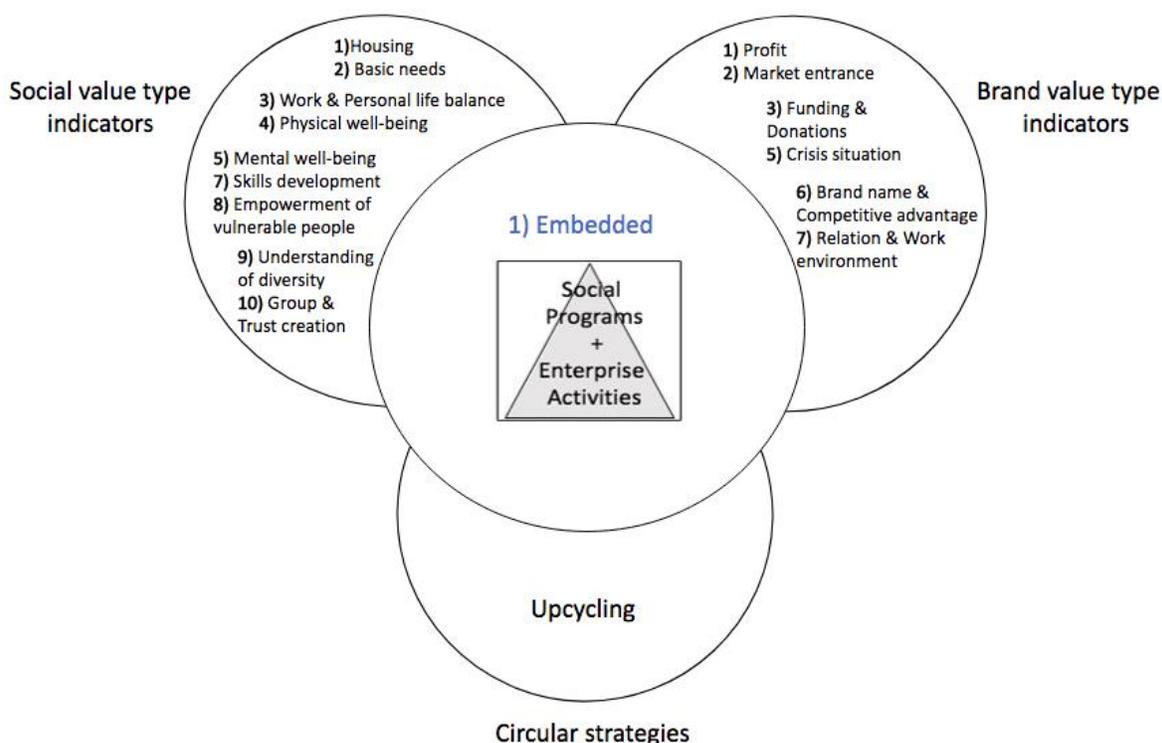


Figure 22: Visualization of the characteristics of the embedded SE business model regarding circular strategies and shared value creation

It can be stated that the circular fashion brands based in the Global South and applying an embedded SE business model mostly included circularity in the form of upcycling by using vintage fabrics and dead stock materials due to their low costs. The findings reveal that circularity is recognized as a way to reduce financial expenses and a way to create social value for the people involved but is not actively on purpose integrated for the environmental aspects. In fact, the results show that circularity is not considered as a desirable fashion aspect when it comes to clothing consumption in the Global South. This finding will be further elaborated on in the explanation of proposition 1. in section 6.2. This BM mostly focuses on the social part of the business model. This aligns with the findings from the literature review section claiming that CE in the Global South focuses on meeting needs of poor communities and improving well-being.

Another finding is that CE is indeed not a new concept. Even though most brand founders and garment workers did not know the terms ‘sustainability’, ‘circularity’ or the difference between ‘upcycling’ and ‘recycling’ they still use and reuse fabrics and find new purposes for old items on a daily basis, it is simply part of their culture and they practice it without labelling it. Especially the poorest, most rural and indigenous communities are the ones having the most circular practices integrated into their health, agriculture and also garment use which shows



that the findings of Giampietro (2019) introduced in the literature section, claiming that circularity is considered as part of century old traditions in rural communities in developing countries, are confirmed by this research.

Regarding the social value types, the SE business model scores for 9 out of 12 social value type indicators whereas the score for 7 are the highest compared to the other 2 BM's. For 7 indicators this SE business model even scores 100%, meaning that for all of these brands value regarding this indicator got created. Each circular fashion brand, being the SE themselves, was established with the aim to create social impact and to establish work and opportunities for unprivileged people in the Global South. In fact, the produced garments are considered as a way to achieve the goal of empowering deprived communities and do not represent the goal themselves. The level of reach of the social value type creation goes until community level as the results show that this business model even achieves to change century old cultural norms, community behaviours and increase inequality which will be further elaborated on in the explanation of proposition 2. in section 6.2.

Considering the brand value types, the SE business model also scores highest by creating value regarding 6 out of 7 indicators. The value type indicator *Laws & Regulation* is not scoring due to the fact that regulations regarding sustainability are not considered yet in developing countries. For the 2 indicators *Funding & Donations* and *Relation & Work environment* they rank first by scoring 100%. This is due to the fact that they have the most social activities integrated into their business model and are recognized by national and international funding organizations for their social engagement. Due to the fact that the circular fashion brand founder and garment workers live close to each other, mostly even in the same town, they have a very close connection, can constantly communicate with each other and thus control the production process.

Regarding the *profit* and *market entrance* indicators, it is essential to mention that these high scores are due to their international clients. All brands claimed that there is no demand for sustainable fashion in their local market and that it is due to the tourists visiting their shops in the Global South and the items they sell online to Western clients that they can financially survive. The findings reveal that increased accessibility of smart-phones and affordable social media apps such as Instagram play a crucial role to expose their products and communicate with their Western clients. Another interesting finding is regarding the *Risk management* value type. The interviews revealed a new indicator for this value type, which this research labelled as *Crisis situation*. During unexpected situations, such as Covid-19 restrictions, the interviews mentioned that the benefits of short and transparent supply chains come to the foreground



as the SE business model brands could react quickly to the challenging circumstances.

To conclude, regarding this business model it can be stated that significant value is achieved for the people producing the garments as well as for the brand itself both based in the Global South and thus shared value is created. Regarding the triple bottom line it can be stated that social value is created for people in the Global South, profit is created for the brand due to their social initiatives and the circular strategies and that the environmental aspect is tackled through the upcycling process. It is crucial for this BM to point out the tension between the environmental and social value creation, as the circular strategy is here considered as an opportunity to create mainly social value but not to tackle environmental issues. The results show that brands based in the Global South actually desire to create garments out of 'new' materials and aim to take the circular aspects out of their BM in order to make a name in their local markets where currently a demand for circular fashion is non-existent. In that case this BM would shift to a less good evaluation in their triple bottom line performance due to a lack regarding the environmental aspects.

6.1.2 Integrated Business model

The information retrieved from the table matrix (*table 9*) is used to create *fig.23* based on the initial framework (*fig.5*) in order to visualize the characteristics of the integrated SE business model.

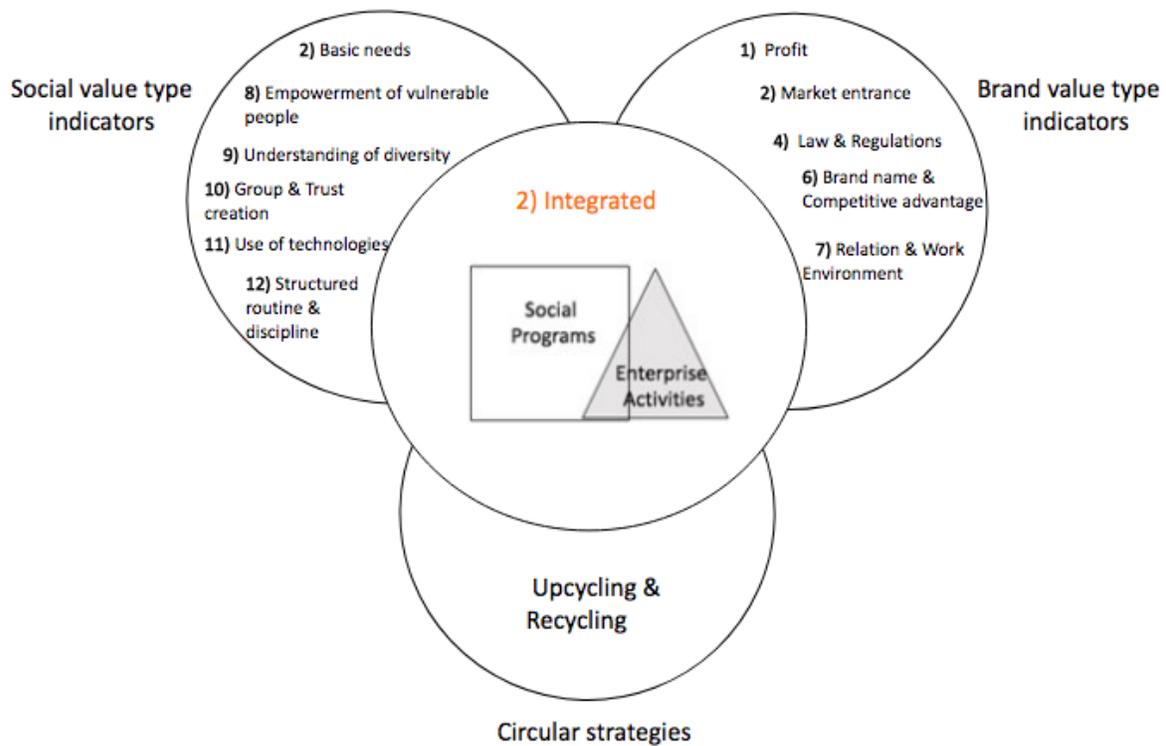


Figure 23: Visualization of the characteristics of the integrated SE business model regarding circular strategies and shared value creation

Considering the integrated SE business models, circularity is practised in the form of upcycling and recycling. Compared to the embedded SE business model, here, the environmental and social initiatives are equally part of the BM. The circular strategy is actively integrated into the BM as the brand founders who are based in the Global North are aware that circularity is first of all needed to reduce environmental degradation in the fashion industry, and secondly required to keep a competitive advantage in the Global North market. They all claim that they consider sustainable fashion as a trend. The newly established brands had circularity integrated from the beginning on into their business model. In contrast, most of the brands that have been established for over 5 years only have recently added recycling or upcycling into their ethical production as they detected the need and demand for circular items. One of the most interesting aspects of this BM, is the fact that here people from the Global North (founder of brand) and from the Global South (SE founder and garment workers) are working together on circularity. Whereas for the founder circularity is considered as a trend and important aspect of the BM, the interviews with the garment producers and SE founders show that they did not fully understand the circularity aspects. This aligns with the theories from



the literature review, that indeed circularity is differently understood in the Global South and North.

Regarding the social value types created for the garment producers, this BM scores in 6 out of 12 indicators. What makes this BM distinctive is that it scores the highest for the indicators *Understanding of diversity*, *Technological use* and *Structured routine & discipline*. The last two indicators emerged newly from the findings retrieved from the interviews with the brands following an integrated BM. The reason for the high scores of these three indicators lies in the fact that the circular fashion brands, based in the Global North, interact and communicate regularly with the SE and garment workers they produce with in the Global South. This broadens the horizon of the garment producers regarding different cultures and religions and leads to the acceptance of diversity among workers with different backgrounds. As the SE's need to adapt their production process to the Western quality and production speed demands, this BM creates significant structure and discipline for the garment producers and makes them acquainted with innovative technologies leading to optimized production e.g. tablets and phones. The level of reach of the social value creation here goes until families which is logical as the main focus of the brand is still the clothing production. The wellbeing of the garment workers, which can eventually influence their families, is of course also considered but not to the extent as it is shown for the embedded SE business model where the central goal is to uplift whole communities.

Considering the value created for the brands themselves, this BM also scores for 5 out of 7 indicators. Compared to the other two BM's, this one scores highest for the indicators: *Profit*, *Market entrance* and *Brand name & competitive advantage*. As sustainable fashion that considers ethical approaches is increasingly demanded in the Western fashion market, the brands from this BM had no difficulties to make themselves a name and to sell their items in shops and online. All brands claimed that a shift towards sustainable fashion in the market can be felt as an increased number of events, panels and even fashion weeks are dedicated to sustainable fashion.

To conclude, regarding this business model it can be stated that significant value is achieved for the people producing the garments based in the Global South as well as for the brand itself based in the Global North, leading to shared value creation. Regarding the triple bottom line it can be stated that social impact is created for people in the Global South, profit is created for the brand due to the fact that they work with a SE and produce on purpose in circular ways due to an increased demand in sustainable fashion in the Global North and that the environmental aspect is considered through the upcycling and recycling process.

6.1.3 External SE business model

The information retrieved from the table matrix (*table 9*) is used to create *fig.24* based on the initial framework (*fig.5*) in order to visualize the characteristics of the external SE business model.

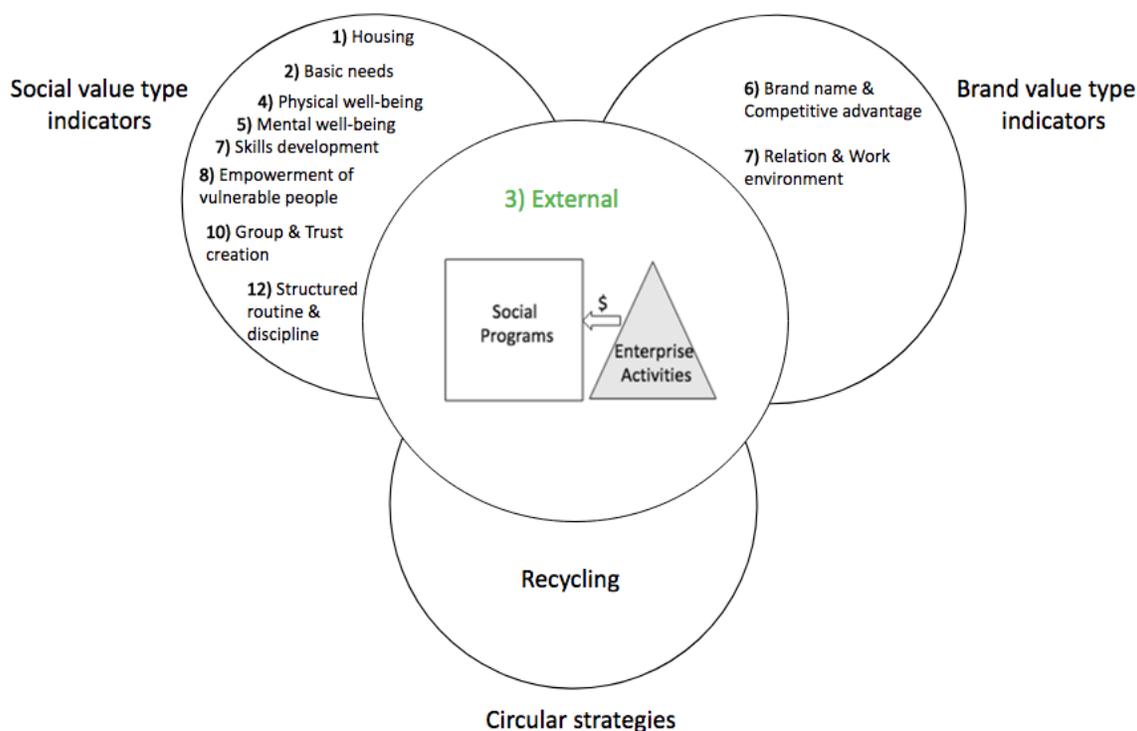


Figure 24: Visualization of the characteristics of the integrated SE business model regarding circular strategies and shared value creation

The results of the external SE business model showed that circularity represents the main part of the BM. Even though the brands applying this BM went beyond ‘doing good’ and actively try to create social impact in the Global South by funding social initiatives, circularity and social aspects are not linked to each other and do not represent the same importance in the BM. Innovative recycling and production technologies represent the main part and are located in another location than the social initiative. Just as for the integrated SE Business model, here as well the social and environmental aspects of circularity are considered and actively implemented into the business model. The brands detect that circular strategies in the form of recycling are not enough to keep up with the competitors in the markets in the Global North and that thus social aspects also need to be included.



Considering the social value types, this BM scores in 8 out of 12 indicators and creates value for the people in the Global South by funding social programs such as schools, rural community development programs or health projects. The value creation does not stand particularly out or creates a remarkable score in a specific indicator that needs further explanation. Only the Empowerment of *vulnerable people* indicator is highlighted which was expected as the social initiatives funded by these brands got established with the aim to lift and empower vulnerable people and even whole communities. For the sample explanation it was also expected that the level of reach of the social value creation can be felt by whole communities.

For the brand value creation, this BM shows the least significant results and only scores in 2 out of 7 indicators. *Brand name and competitive advantage* is created in case they communicate about the fact that a part of their profit is used to fund social initiatives. *Relation and work environment* scores because the brand employees share the same values about ethical working production which creates a family-like atmosphere. In fact, these results seem logic as the social considerations are not the main part of their BM and not linked to their circular strategy, thus the brands do not market themselves as ethical brands and as a consequence not much value is created for the brand itself.

Considering this BM, it can be concluded that even though significant value is created for the people in the Global South through the funding of social initiatives, value created for the brand is rather poor and thus the shared value creation in this case has a more unbalanced aspect compared to the 2 other BM's. Regarding the triple bottom line it can be stated that social impact is created for people in the Global South through funding, profit is created for the brand due to the fact that they produce in circular ways due to an increased demand in sustainable fashion in the Global North, and that the environmental aspect is considered through the recycling process.

6.2 Theoretical implication

This research was based on the framework (*fig.5*) created for this paper. It includes existing literature introduced in the literature review on SE business models, circular practices in the fashion industry and theories on social as well as brand value types creation through social business approaches.

The three circular practices considered by the existing theories: reusing, upcycling and recycling were applicable and thus used for the research. The social as well as brand value types mentioned in the framework, are a combination of already existing theories which could



be applied to our specific research but also of new findings that emerged from the interviews such as the indicator *Crisis situation* and the value type dimensions *Technological innovation* and *Structure*. Thus, the used theories could not only be validated by this research, but also expanded by adding new dimensions. Considering *fig.3*, showing the social and economic value creation of the three SE business models by Alter (2007), it can be stated that the results of this paper show slightly different findings as the external Se business model also creates significant value, whereas *fig.3* claims that the external BM will likely focus the least on social value creation. Thus the theory by Alter (2007) is partly validated by this research, as it was applicable to the circular fashion industry, but also got expanded by adding further dimensions to the three SE business models.

Furthermore, this research paper filled the five literature gaps mentioned in the introduction. First, the research analyzed business models on their circular as well as social sustainability aspects linked to the fashion industry, which were until now mostly considered as two separate literature streams. The findings reduce the vagueness in which way circular businesses could create positive social impacts and present a clear overview in which way the three different SE business models can integrate circularity and create shared value, and for what reason. Second, the research adds qualitative findings to the until now mainly quantitatively assessed social values that businesses can create and presents findings going beyond e.g. number of created jobs.

Third, the research added a more robust and concrete aspect to the SCV concept by creating a framework with specific value types allowing to analyze the exact value that companies can create for their workers and for themselves. This framework was used to assess the value created by SE business models in the circular fashion industry, but it can also be applied to companies from any other industry. Fourth, the research reduced the lack of literature on SVC of SMEs as all the brands that participated in the research were SMEs. Fifth, this paper revealed that circularity is perceived by fashion business models based in the Global South as a way to reduce production costs and to create social well-being, but the environmental aspect is not considered.

Furthermore, the findings of this paper also analyse the three propositions introduced in the literature review. The first proposition: “The local clothing industry in emergent economies in countries in the Global South focuses on design and consumption, but not on the devastating impact of increasing consumption and circularity “is supported by the results of this research. This proposition was made by a researcher who focused only on the Indian market. Still, the results reveal that this proposition is also supported in the other Global South countries that



participated in this research. The interviews with the circular fashion brands based in the Global South, applying an embedded SE business model, show that fashion consumers try to replicate the Western fast-fashion styles as they have seen it the last years. They associate Western clothes with being financially able to consume, status symbol, enhanced quality of life and enhancement of self-image. All the fashion brands claimed that in their local market, the demand for circular fashion is low. Most garment workers, as well as founders, who mostly belonged to the local middle to upper class, revealed that they would not want to buy clothes made out of old fabrics. They consider upcycling as a way of starting their fashion business. Still, all brands established for a longer time also have collections made from newly produced fabrics to sell even in their local market. This result shows indeed that people in the Global South and Global North consume upcycled clothes for different purposes and attach different images to them.

Proposition 2: “The Circular Economy has the potential to uplift marginalised populations (women, indigenous people, etc.) and ameliorate existing patterns of inequality.” This proposition is supported by the findings of this research. In fact the results clearly show that if the social aspects are properly integrated into the circular fashion business models, CE has the potential to create significant value for people belonging to marginalised and vulnerable communities that struggle to find alternative livelihoods. The three main groups for whom value is created through a SE fashion business, according to this research, are poor and rural communities, disabled people and women. Especially the social norms surrounding women’s participation in the economy in order to create an equal society. (e.g. women should stay at home and do unpaid work in India) are addressed in this research as almost all interviewees of this research were women with challenging backgrounds who were able to create a sustainable livelihood and a place where they feel empowered through the circular fashion brand.

Proposition 3: “Superior financial performance leads to greater social value creation, rather than social value creation activity driving financial outcomes.” The findings of the research reject this proposition. The results show specific examples where brands who had initially low capital and integrated social value creation into their BM from the beginning on were able to create profit for them as a brand at some point. The most remarkable example was given by a brand practising an embedded SE business model and based in Africa, who turned a few thousand dollars business into a multi-million dollars business. Nevertheless, one must consider that due to the extreme demand over the last years in sustainable fashion, these SE’s got a lot of attention from the Global North. Most of the SE claimed that they detected an enormous increase in financial outcomes due to the tourists who were interested in their



sustainable items and also due to social media applications that offered them visibility in the international market.

6.3 Recommendations for the industry

The first recommendation that can be drawn from our findings and given to the circular fashion industry is that brands based in the Global North need to keep in mind that sustainability and circularity represent different concepts and meanings in other parts of the world. The results show that for the external and integrated SE business model, circularity is considered as a fashion trend needed to change the fashion industry on a system-level. For the embedded SE business model circularity is seen as a way to reduce production costs and create social value. In the Global South, the local fashion trends tend towards linear and not circular clothes, as explained in proposition 1. Thus, Western circular fashion brands who have their production unit in the Global South need to take an active role in communicating and explaining to the people why it is crucial to keep circular practices integrated. It is recommended to visit the production unit and engage with the garment workers in the South.

The Western brand founders should visit the garment producers regularly and introduce them to circular items such as reusable bottles and sanitary pads. Our findings show that this creates a significant impact regarding circularity, as most garment producers started to implement circular practices again more into their daily routine after they saw the Western clients using them. Thus if the Western countries manage to change the image of desirable Western fashion attributes that people in the Global South seem to desire to replicate, they might have an impact on the up-coming fashion consumption pattern in the Global South. Thus, a shift from a traditional circular to linear fashion system leading to devastating outcomes, as it is the case in the Global North, could eventually be avoided in the Global South.

The second recommendation for the circular fashion industry is to be aware of the fact that building up a truly sustainable fashion brand represents an incremental process. Steps need to be taken slowly and thoughtfully, which demands a lot of time and investments, especially in the initial phase of building up the brand. The interviews revealed that circular fashion businesses working with a SE business model do not create profit straight away as financing the social initiatives and producing in a slow and circular way can take time and demands high investments. Nevertheless, the brands should consider this as part of the process and should not rush to integrate circularity or go for the cheap alternatives. The examples given in the interviews of fake up-cycled and recycled fabrics sold in India showed that if circularity is forced into business without thinking it through, the outcome can have a negative impact. Thus, brands who aim to integrate circular practices should get informed about where the fabrics come from before purchasing them. Even though the time and money investment can be relatively high in the early stages, the results of this research show that fashion business



models that integrate social as well as environmental considerations can also create value and profit for themselves.

6.4 Limitations and future research

The first limitation linked to this research is that the qualitative data were obtained through semi-structured interviews and that only one researcher collected and analysed the data which could lead to subjective interpretation. Second, the data gathered through interviews rest on the words and perceptions of the participants, which are not stagnant and are susceptible to change as a result of changing circumstances or simply time. Thus, these views cannot be viewed as definitive, but more capture an instance in time, meaning that the generalisability of the data is limited. Thirdly, interviewing as a research method is susceptible to social desirability bias, wherein participants try to provide socially acceptable answers or refrain from speaking their mind due to fear of persecution or judgement. These limitations aimed to be compensated by using grey literature such as company reports and information on social media to achieve data triangulation. Fourth, the interviews were made in the local language that could lead to a mistranslation; this limitation was mitigated by having an interviewer that has compelling skills in both languages. Fifth, the chosen methodology inevitably comes with the limitation that the study only includes SMEs circular fashion brands being or operating with a SE based in the Global south. Thus, the results are not generalizable to larger firms, the whole fashion industry or other industries. Finally, the Covid-19 circumstances represented a limitation for the research as it was challenging to interview garment workers together with the SE founders on a skype call during lockdown restrictions and thus only a small sample number of brands for each SE business model was able to be found.

Future studies could include more case studies or focus only on a few specific brands and really analyse in depth also further aspects of the SE business models by including also considerations such as drivers and barriers to integrate circular as well as social aspects. Future research could also look at brands who have been operating for a longer time. In fact, time seems to represent a crucial factor regarding value creation and especially the level of reach of the impact can go from individual to community level after a certain time frame. For this research most chosen brands are less than 10 years old and thus it would be interesting to assess their value creation in the next few years or to focus straight away on brands who have been established for longer than 10 years. Furthermore, this research focused on brands tackling circular aspects at the end of lifetime of garments by reusing, up-cycling and reusing.



Thus further research could also include circular approaches at the production, design and fabric sourcing stage.

7. Conclusion

This research aimed to assess in which way the until now separate literature strings regarding CE and SS in the fashion industry could be combined by assessing the circular practices and value types that can be created by the three different SE business models as defined by Alter as: embedded, integrated and external. A framework was created in a deductive and inductive way by combining new findings from the research with existing literature on the three SE business models by Alter and theories of circular practices as well as social and brand value types that can be created through social business approaches. This framework was applied on different circular fashion brands being, producing with or funding a SE or social initiative in the Global South. By analyzing the qualitative data retrieved from the semi-structured interviews and literature reviews, a qualitative and quantitative overview of the characteristics of the three different SE business models was extracted and the two research questions got answered.

RQ1) In which way is CE integrated within different SE business models in the circular fashion industry?

The results show that the fashion brands applying an embedded SE business model integrate circularity predominantly in the form of upcycling by using vintage fabrics or dead-stock materials. Even though people, planet and profit are considered by this BM, what is special regarding this BM is that circularity is considered as a way to reduce financial expenses and create social impact, the environmental part plays a less important role. Most brands aim to detach the up-cycling aspect from their core business model by producing with new fabrics to align to the demand of the local markets in the Global South. Considering the integrated SE business model, circularity is integrated in the form of up-cycling as well as recycling. Here, circular approaches got increasingly integrated on purpose with the aim to tackle environmental issues linked to the fashion industry and due to a rising demand for sustainable/circular fashion in the Global North. Thus people, planet and profit are considered by this BM and are equally integrated. Regarding the external SE business model, circular and social initiatives are not linked to each other. The garments are produced in special factories mostly based in the Global North with innovative recycling technologies and a part of their profit is used to fund social initiatives in the Global South. Even though people, planet and



profit are considered by this BM, circularity represents the main part of the BM. The results show that circularity in the fashion industry is perceived and integrated in different ways depending on the location of the circular fashion brand.

RQ2) What types of value do different SE business models create for garment workers, families and/or communities in the global south and for the circular fashion brands themselves?

To answer this question, the three different SE business models were analyzed: 1) on the 12 different value types indicators of the 7 considered social value types which are namely *Life quality* (Housing, Basic needs, Work & personal life balance), *Health* (Physical well-being, Mental well-being), *Education* (Circularity knowledge, Skills development, Diversity & Equity (Empowerment of vulnerable people, Understanding of diversity), *Social cohesion* (Group & Trust creation), *Technological Innovation* (Use of technologies) and *Structure* (Structured routine & Discipline) in order to assess the value created for people in the Global South 2) on the 7 brand value type indicators to assess the business models on the 5 brand value types chosen for this research which are *Revenue growth & market access* (profit, market entrance), *Access to capital* (Funding & Donations), *Risk management* (Laws & Regulation, Crisis situation), *Reputation* (Brand name & Competitive advantage) and *Working atmosphere* (Relation & work environment).

- The embedded SE business model scored highest in each social value type indicator except for *Structure*, *Technological innovation* and the indicator *Circularity knowledge* and the level of value creation could be felt at community level. Also regarding value created for the brand itself this BM scored in all indicators, except *Law & regulation*, and even a new indicator emerged from the interviews which was labelled *Crisis situation*. It can be concluded that the embedded SE business model creates significant value not only for the people in the Global South but also for the brand itself in the Global North, and that thus an out-balanced shared value creation is put in place.
- The integrated SE business model significantly scored for the social value type indicators *Basic needs*, *Mental well-being*, *Empowerment of vulnerable people*, *Understanding of Diversity*, *Group & Trust creation* and scores highest for the two indicators that emerged out of the interviews with brands following this SE business model which are namely 'Technological Innovation' and 'Structure'. It can be concluded that the integrated SE business model creates significant value for both, garment producers in the Global South and the brands in the Global North leading as well to an out-balanced shared value creation.
- The external SE business model could be characterized by the social value type indicators *Housing*, *Basic needs*, *Physical well-being*, *Mental well-being*, *Skills development*,



Empowerment of vulnerable people, Group & trust creation and Structured routine. Considering the value types for the brand only two were frequently mentioned, *Reputation and Working atmosphere* leading to a more unbalanced shared value creation.

The results show in which way and with what impact the fashion industry, being the second biggest employer in the world with most garment workers located in the Global South, can integrate people, planet and profit aspects into their BM which has the potential to change the lives of many people in the South for the better. The findings clearly show that it is possible to include environmental as well as social aspects into fashion business models without depriving financial outcome. Nevertheless, one must just keep in mind that circularity is linked to different meanings and motivations in the Global North than in the Global South. Even though a lot of effort still needs to be made in the fashion industry, this research shows that it is indeed possible to achieve a shift in this industry, acknowledged until now mostly for its social and environmental scandals, towards a more sustainable state. Thus to conclude, it can be stated that if CE is adequately understood and applied to social aspects, the concept can fulfil its purpose as a convincing paradigm to offer system-level change and open new opportunities for the apparel sector.

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Appendix 1

Questionnaire on the social value creation for the people in the Global South

Interview conducted on:	A) Garment workers /Participant in the social initiative (Group focus interviews)	B) SE founder or other relevant person working for the SE (Individual interview via skype)
Introduction and general questions:	<ul style="list-style-type: none"> - Introduce yourself. What are your names, since when do you work here and what is your working position? - You will be asked about the types of value that have been created for you by the circular fashion brand that is, produces with or funds the social enterprise that you work for. - Explain the relation you have with the SE founder or other relevant people from the SE? - Explain the relation you have with the circular fashion brand for which you produce the clothes? - How often does the circular fashion brand come and visit you and in which way are you in contact with them? 	<ul style="list-style-type: none"> -Introduce yourself. What is your name, since when do you work here and what is your working position? - You will have to answer questions on behalf of the garment workers working in this SE. You will be asked about the types of value that have been created for the garment workers by the circular fashion brand which is, produces with or funds this social enterprise. Thus, I kindly ask you to be as precise as possible in your answers and to give for each question as many specific examples as possible. - In which way are you involved into a SE business model : Is this SE a circular fashion brand itself [embedded] , do you produce for a seperate circular fashion brand [integrated] or do you get funded by a circular fashion brand [external]? - In case you are not a circular fashion brand yourself, how does the relation between the garment workers and the external circular fashion brand you work with or get funded by look like? - In case you are not a circular fashion brand yourself, how often do you have contact with the external circular fashion brand you work with or get funded by. How often do they visit you and the garment workers?



<p>Life quality</p>	<p>-In which way does the circular fashion brand [being, producing with or funding the SE activities] create a positive impact on your quality of life ?</p> <p>- What is your housing situation and how has it changed since working here ?</p> <p>- How does your personal life outside your working hours look like and in which way does your working place have an impact on this?</p> <p>- In which way does your working place contribute to attain your basic needs to live [food, electricity, water supply]?</p>	<p>- In which way and to what extent is a positive impact on the life quality of the workers created?</p> <p>- What is the housing situation of the workers and how has it changed since they started working here?</p> <p>- How does the personal life of the workers look outside their working hours and in which way did this change since they started working here?</p> <p>- In which way do you contribute to attain their basic needs to live [food, electricity, water supply]?</p>
<p>Health</p>	<p>- What is your health situation and do you recognize a change since you started working here? If yes, which changes?</p> <p>- Are there any initiatives/programs offered to you to improve your health? If yes, which ones?</p>	<p>- What is the health situation of the garment workers and do you recognize a change since they started working here? If yes, which changes?</p> <p>- Which initiatives are taken to improve their health?</p>
<p>Education</p>	<p>- In which ways does your working place have an impact on your education and what kind of knowledge or skill development initiatives/programs are offered?</p> <p>- What do you know about sustainability /circularity?</p> <p>- In which way does producing circular items influence you to integrate circularity also into your personal life routines?</p>	<p>- In which way is an impact on the education of the garment workers created and what kind of knowledge or skill development initiatives /programs are offered to them?</p> <p>- Do the workers know anything about sustainability /circularity?</p> <p>- Does the fact of producing circular items influence the workers to integrate circularity into their personal life routines?</p>
<p>Diversity</p>	<p>- How much diversity is among you regarding religion, social classes and or vulnerable minority groups etc.?</p> <p>- What kind of initiatives/programs are offered by your working place to integrate and empower these differences among you and what is their impact?</p> <p>- In case you have a special background regarding religion, social classes and or</p>	<p>- How much diversity is among the workers [religion, social classes and or vulnerable minority groups etc]?</p> <p>- What kind of initiatives/programs are offered to integrate and empower these differences among the workers and what is their impact?</p> <p>- In case they have a specific background regarding religion, social classes and or</p>



	vulnerability, in which way has your life changed since you started working here?	vulnerability, in which way did their life change since working here?
Social Cohesion	<p>- What is the relation you have with your co-workers, family and community and in which way does your workplace influence these relations?</p> <p>- In which way did these relationships change since you started working here and why do you think that is?</p>	<p>- What is the relationship the workers have with their co-workers, family and community and explain how you have an impact on these relations ?</p> <p>- In which way did these relationships change since working here?</p>
Level of reach	- Is value created only for you or also for your family and/or community? If yes, what kind of value is created for your family and or community members?	- Is value created only for garment workers or also for their families and/or communities? If yes, what kind of value is created for the family and or community members?
Ending Interview questions	Is your working place creating any other type of value for you, your family or even community that is not covered in this interview? If yes, which ones?	- Is any other type of value created for the garment workers, their families or even communities that is not covered in this interview? If yes, which ones?



Appendix 2

Questionnaire on the value created for the circular fashion brand(Individual phone call with the founder of the brand, or any other relevant person)

General Questions	<ul style="list-style-type: none">- What is the name of your circular brand, since when do you exist and how many people are working for your company?- In which way are you a circular brand ?- Are you yourself, do you produce with or do you fund a clothing producing SE?- How would you describe your SE Business Model?- Since when are or do you work with a SE and what was/is your motivation behind this decision?- What is the mission statement and value of your brand?
Revenue growth and market access	<ul style="list-style-type: none">- How would you describe your annual revenue growth and how do you think the SE business model has an impact on this factor?- How easy is or was it for you to have entered the local /international market and how do you think does the fact of being or working with a SE have an impact on this?
Access to capital	<ul style="list-style-type: none">- In which way does working with or being a SE impact your access to capital [e.g. receiving donations, funds] ?- What is your capital situation and how has it changed since working with or being a social enterprise?
Risk management	<ul style="list-style-type: none">- Explain in which way the fact of being or working with a SE has an impact on your risk management and what type of risks you consider?- How do you feel regarding pressure from governmental laws or stakeholders, e.g. suppliers or employees to integrate SS dimensions, and how does the fact of being or working with a SE has an impact on this?- Do you think that because of working with or as an SE, it is easier or more difficult to establish new products and getting licenses to



	operate?
Reputation	<ul style="list-style-type: none">- What is your brand reputation and marketing strategy and in which does the fact of being or producing with a SE influences these aspects?- What is your strategy to assure competitive advantage and in which way do you think that a SE approach can help with this?
Human Capital	<ul style="list-style-type: none">- How does the fact of working with or being a SE have an impact on the company atmosphere and relationships between the different departments and employees?- Have any new habits emerged inside your company since the establishment of SE or working with a SE? If so, explain which ones and in which way ?
Ending interview question	<ul style="list-style-type: none">- Do you have anything to add to these questions?- Does the value that you created for your garment workers by being or producing with a SE, lead to any other kind of value created for you as a brand which is not covered in this interview?



Appendix 3

Online information about the brands and social initiatives and name of the interviewees.

Circular fashion brand/social initiative	Website/Social Media	Interviewee Name
Embedded		
1) Sambhali Trust	https://www.sambhali-trust.org/ https://www.instagram.com/sambhalitrust/?hl=en	- Corinne Rose (Operational manager), Vimlesh (director), Nimala, Mamta, Anjum (garment workers)
2) Irolro Zero Waste	http://iroirozerowaste.com/ https://www.instagram.com/iroirozerowaste/?hl=en	- Bhaavya (Founder) , 3 garment workers (anonymous)
3) HattiHatti Nepal	https://www.hattihatti.org/ https://www.instagram.com/hattihattinepal/?hl=en	- Sajna (Program Manager and educational coordinator) and Anu (garment worker)
4) Dhonk Sustainable Textiles	https://www.instagram.com/dhonk_sustainable_textiles/?hl=en	- Dhavya (Founder), 2 garment workers (anonymous)
5) Khamir	http://khamir.org/about/khamir/partners https://www.instagram.com/khamircrafts/	- Harish (Co-Founder), Rajiben (Garment worker)
6) Qaytu	https://www.qaytu.com/ https://www.instagram.com/qaytu/	- Qaytu (Founder), Mamita (Garment worker)
7) Ankur Kala	http://ankurkala.org/ https://www.instagram.com/ankurkala/	- Nitya (Board Member), 3 garment workers (anonymous)
8) SoleRebels	https://www.solerebels.com/pages/about https://www.instagram.com/solerebels/	- Manager and 2 garment workers (anonymous)
9) Eco-shoes	https://www.ecoshoesgh.com/ https://www.instagram.com/eco_	- Founder and no worker (anonymous)



	shoes_gh/	
10) Kuchinate	https://www.kuchinate.com/ https://www.instagram.com/kuchinate_arts/	- Studio manager and 2 workers (anonymous)
Integrated		
1a) Maison Tika (Brand) + 1b) Saheli Women (SE)	https://saheliwomen.com/ https://www.instagram.com/saheliwomen/ https://www.instagram.com/maison_tika/	- Saheli Women: Madhu (Founder), Geeta Ji (Garment Worker) and Sharmili (Garment Worker) - Maison Tika: Stefanie (Founder)
2a) The Anjelms Project (Brand) + 2b) The Stitching Project (SE)	https://the-stitching-project.com/ https://www.instagram.com/the_stitching_project/ https://www.anjelms.com/ https://www.instagram.com/theanjelmsproject/	- The stitching project : Fiona (Founder), 2 garment workers (anonymous) - The Anjelms project : Gaelle (Co-Founder)
3a) Abury (Brand) + 3b) Andrea foundation (SE)	https://www.abury.org/what-we-do/ https://www.instagram.com/aburycollection/	- Abury : Andrea (Founder) - Andrea Foundation: Alicia (Project Manager) and 1 garment worker (anonymous)
4a) Tassel and Tales (Brand) + 4b) AL Kawtar Women's cooperative (SE)	https://tassel-tales.com/ https://www.instagram.com/tassel_tales/ https://alkawtarcoop.wordpress.com/ https://www.instagram.com/al_kawtar_cooperative/	- Tassel and Tales: Sophie (Founder) - AL Kawtar Women's cooperative: Two garment workers (anonymous)
5a) A beautiful story (Brand) + 5b) Bead of life Nepal (SE)	http://www.beadsforlife.com.np/ https://www.instagram.com/beadsforlifenepal/ https://www.abeautifulstory.eu/nl/ https://www.instagram.com/abeautifulstory/	- Bead for life Nepal: Nimdiki (Founder) , 2 garment workers (anonymous) - A beautiful story: Julie-Anne (communication sector)
6a) Safartravelbag (Brand) +	https://www.safarbag.com/ https://www.instagram.com/safartravelbag/	- Princessdiyakumarifoundation: Two garment workers



6b) Princessdiyakumarifoundation (SE)	https://www.facebook.com/princessdiyakumarifoundation.org/	- Safartravelbag : Olivia (Founder)
7a) Yevu (Brand) + 7b) Yevu Foundation (SE)	https://yevuclothing.com/ https://www.instagram.com/yevuclothing/	- Yevu: Sales manager(anonymous) - Yevu Foundation: Anna (Founder) , no garment worker
External		
1a) Irene Bozza (Brand) + 1b) Mboni ya Vijana (Social Initiative)	https://irenebozza.com/en/ https://www.instagram.com/irenebozza_jewelry/ https://mboniyavijana.wordpress.com/	- Irene Bozza : Founder (Irene Bozza) - Mboni ya Vijana : Project manager (anonymous)
2a) Zazi-vintage (Brand) + 2b) IPHD (Social Initiative)	https://www.zazi-vintage.com/ https://www.instagram.com/zazivintage/ https://iphdindia.com/ https://www.instagram.com/iphdindia/	- Zazi Vintage : Jeanne de Kroon (Founder) - IPHD : Madhu Vaishnav (Founder), Rekha and Geeta (participating in the social initiative)
3a) MyEinführung (Brand) + 3b) North-South Cooperation (Social Initiative)	https://myeinfuehlung.com/ https://www.instagram.com/myeinfuehlung/ https://www.cns-asbl.org/	- MyEinführung : Flavia (Founder) - North- South Cooperation: Fabrice Bernard (Project Manager)
4a) Ekam (Brand) + 4b) I-India (Social Initiative)	https://www.instagram.com/wear_ekam/ http://www.i-indiaonline.com/	- Ekam: Avisha (Founder) - I-India: Meena, Geeta (workers)
5a) Amaz Shoes (Brand) + 5b) Education for all (Social Initiative)	https://www.amaz-store.com/en/ https://www.instagram.com/amazsneakers/ https://www.efamorocco.org/ https://www.instagram.com/efamorocco/	- Amaz Shoes: Fadela (Founder) - Education for all: Project manager (anonymous) , 2 people participating in the initiative (anonymous)
6a) Solo Eye Wear (Brand) + 6b) Aravind Eye Care System (Social Initiative)	https://www.soloeyewear.com/ https://aravind.org/our-story/ https://www.instagram.com/soloeyewear/	- Solo Eye Wear - Aravind Eye care system: Lakshmi (Communication)



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Appendix 4

Main quotes retrieved from the interviews on circularity (A), value created for workers, families and/or communities (B) and the circular fashion brands (C)

	(A) Quotes on circularity	(B) Quotes on social value types created in the Global South	(C) Quotes on brand value types created for the circular fashion brand
1.1) Sambhali Trust	<p>“Well, circularity was from the beginning on a very important aspect because this is how we started. You know we often use and reuse our old clothes, this is something very normal for the women we work with. To use an old sari for example to make curtains. But the women do not know much about the terms “sustainability” or “recycling” no.” (Founder)</p>	<p>“I used to live in a shack dwelling with about 6 other members of my family. I started working at Sambhali and asked straight away to get a loan for a sewing machine and make garments for people in my rural community to earn a living through the Sambhali Sewing Centre but also with my independent business in my community. Now, I am able to live in my own apartment and have a more free life.” (Garment Producer)</p> <p>“I have learnt so much since coming here; I can make different things and can keep some money for myself. The best thing are the women I work with – they are like my sisters and I have not had this kind of support before.” (Worker)</p>	<p>“Because of our social action we get a lot of help and donations which will be crucial to be able to survive.”,(Founder)</p> <p>“Here at Sambhali Trust and we actually are like a big family, it is not so much about the business. The business is just a means to the end and our main goal which is the well-being of the people we work with. We have a very strong bond all together and that is why step by step we are growing so steadily.” (Founder)</p>
1.2) Iroiro Zero Waste	<p>“Many Indian people who are financially well off do not want to buy clothes from old fabric, up-cycling is not yet a trend in India. (...)because up-cycling has seen a comeback in the West where we also sell our items online, we started to do only 100% up-</p>	<p>“I also grow my own crops or grow crops for selling in the local market. This is because I now have more money and more free-time to work also as a farmer. We also get lessons on farming by iroiro zero waste.” (Shivani, Worker)</p>	<p>“Especially regarding human value as we are all like a big family here all helping out each other especially during this hard time for example now due to corona.You can really see the benefits during this crisis of running a company based on social aspects and short as well as transparent</p>



	<p>cycling again. So we think of it as a Western concept because terms like up-cycling and circularity are not known here but actually it is very intrinsically Indian as we can't afford waste. I mean, sorry it is a living tradition in India, that saris and costumes that are worn in the villages are made according to 100 % zero waste patterns. It is not part of our business because it is a trend but because people simply cannot afford to waste fabric." (Founder)</p> <p>"So I think that it is a misconception that upcycling is cheap. It is a very laborious process. We sort out the waste, we convert it into linear fiber, and then we weave it back into fabric. So there is a lot of people involved in the process."(Bhaavya, Founder)</p>	<p>"Since I work here I have more money to buy good and diverse food and have more time with my children. In the Center I can talk not only about my health problems, it's not only my physical health that got better, but also mental health for example when I am stressed or worried I can always share with the people from the center and then I feel better." (Shivani, Worker)</p> <p>"They have a very friendly relationship with each other. If someone doesn't, isn't able to solve something, then they all help each other. And there is always a good vibe with laughter and love." (Founder)</p> <p>" I can see that more and more villages accept now that women are respected for their work. Also respect for the cultural tradition and weaving is again given. One of the biggest reasons why artisans move away from craft is the lack of respect and money they receive. Now that the people see that they can again receive money with traditional craft, they can start doing it again." (Bhavya, Founder)</p>	<p>supply-chains. I truly believe that we have better chances as a company to survive in these times." (Bhavya, Founder)</p> <p>"Yes we won two prizes because of our social activities already. It was a recognition for what we do, this opened the doors to larger platforms and also fundings."</p>
<p>1.3) HattiHatti Nepal</p>	<p>"Buying new fabric wasn't possible because we didn't start with a nice organizational blueprint, you know, it started as an idea to help as many women as possible and to help them to become happy in their life and independent and to be part</p>	<p>"The more education they got the more confident they became, I really think education is key to make a community grow. " (Sajna, Program manager)</p> <p>"Yes the most important thing I learned in our center is not only freedom but also awareness about skill</p>	<p>"But now we have got like, a lot of people that are really supporting the cause and, and since we are really transparent where the money goes and who made the items, we could see that people really liked that. Really good for us, and people have really appreciated those things. And the followers</p>



	<p>of their family bounded society. So we started upcycling old sarees that are really easily available in Nepali community, which are worn once or twice and then they die in the cupboard and then die and go to the landforms which is bad for the environment, so they thought maybe that is something they can upcycle or use as a material to train the woman. “ (Sajna, Program manager)</p> <p>“Yes so for us it is also very important that they know what's going on while they're stitching, and why we use up-cycled material. So those kind of things we involve during education classes for example basic topics about sustainability, why we do it and what the impact is. What is upcycling? What is recycling? Why is it important that what's the role you are giving to the environment and I'm sure they are aware about that. Labeling these practices with words like “up-cycling” and “recycling” is quite new to them, but the concepts themselves they are quite familiar with.” (Sajna, Program manager)</p> <p>“In the beginning when we started in 2004 it was really tough for us at the beginning to make people understand about upcycling and it was really hard to sell our products, especially in the nepali market where everyone’s aim is to buy new</p>	<p>training about the importance of being independent, and independent in the sense not only economically but socially, and psychologically and emotionally.” (Anu, Worker)</p> <p>“I often didn’t get my period because I was so stressed and was not eating healthy, often in rural villages everything you eat is rice and bamboo (...) now I get again my period normally. “(Anu, Worker)</p> <p>“Anu also came to me last time at a festival and said that she felt comfortable in this area of Kathmandu to be outside and in between the people, she felt proud and was happy because other women came to her to ask how it is to work at Hatihatii and how her life is now. “ (Sajna, Program manager)</p>	<p>on instagram has been more compared to three years ago.”(Sajna, Program manager)</p> <p>“Yeah,compared to last year, in the last 12 months we got many orders, we have reached a lot of international customers and were invited to zoom meetings as well” (Sajna, Program manager)</p>
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	items.”(Sajna, Program manager)		
1.4) Dhonk Sustainable Textiles	<p>“In the beginning we really only used old materials we had already because we had no other option, now we also do new textiles for example we produce our own blockprint fabrics that we design. We are very proud also to produce our own fabrics now and don’t have to use only old materials anymore. So new items we sell more in India but yes international clients also still like the up-cycled fabrics.” (Dhavya, Founder)</p>	<p>“In the beginning it was quite hard because the men didn’t understand what we were doing. Women had to stay at home mainly or go and cut wood but they were very shy. Now after many years and a lot of hard times we are a massive community, like a big family where everyone has its own position and the women are smiling on the streets and are not scared to ask if they need something.”(Dhavya, Founder)</p>	<p>“The government recognized our work and is thankful that because of us the tiger hunting decreased and that we found another income here in this area which is also supporting the local traditional embroidery techniques.”(Dhavya, Founder)</p> <p>“I think mainly that we have become a very good reputation in India but also internationally due to social media where we can show our work and what we do. We even got funding last year from our government and since 2 years also our international community is getting bigger and more people write to us on instagram to purchase items which is great.”(Dhavya, Founder)</p>



<p>1.5) Khamir</p>	<p>We practice it because it is in our culture, we often cannot afford to waste items but we don't have a specific term to describe this action. In the beginning we also didn't do up-cycling, we wanted to focus on items that local Indian people would buy so we produced new items and fabrics by ourselves. But now since 3 years we do a lot of recycling of plastic. We weave plastic fibres into home decoration items mainly for our european market..</p> <p>(Harish, Co-founder)</p> <p>"Here the people still have other issues and things to care about for example surviving. People here do not have the privilege to think about sustainable clothes, they are happy if they have any clothes."(Harish, Co-founder)</p> <p>"Yes so recycling is quite expensive because it requires a lot of energy and processes. In the beginning we only did up-cycling which is less expensive, but now we can also afford to recycle which is very demanded in the wetsern market. So compared to buying new fabric yes up-cycling is less expensive." (Harish, Co-founder)</p>	<p>"As many factories are copying the old traditional patterns for about a tenth of the price, buyers prefer of course to purchase in the big factories instead of the original small villages doing the patterns by hand. (...) we work for preservation of culture, community and local environments." (Harish, Co-Founder)</p> <p>"My hands kept me busy, weaving scraps of plastic into products. I worked very hard and suddenly found a new purpose again here at Khamir. I thought I was alone with my problems but here I realized that many people had exactly the same destiny as me of losing their partners or even children." (Rajiben, worker)</p> <p>"But Khamir helped me to sort everything out , I live now in a nice little house with running water and electricity next to the working centers, my children go to school and my working hours are flexible We even have warm water which is something me and my children never had." (Rajiben, worker)</p>	<p>"The steps of production are very easy, it is a great advantage to have an overview over each production step at any moment because we all live next to each other." (Harish, Co-Founder)</p>
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<p>1.6) Qaytu</p>	<p>“The poorer the communities and the more rural the area, the more they have circularity integrated into their life-style as nothing is wasted if it is not 100% necessary.” (Yurac, Founder)</p> <p>“In the end it is all a closed loop but if you ask them what is circularity or sustainability or the word recycling they don’t really know it. It is not a trend but their actual life-style.”(Yurac, Founder)</p> <p>“So yes I am quite familiar with these concepts of course but I think it is hard to educate the women on this. They actually dream to buy new items for themselves, which they often do with their first salaries, but they don’t understand why someone would wear something from an old fish net for example. I think they would be embarrassed to run around like this as it would mean that they could not afford a real purse, whereas online where mostly european and american people purchase, the best-seller is the fisher net bag at the moment.” (Yurac, Founder)</p>	<p>“We provide weaving, sewing, English and business training for our employees” (Yurac, Founder)</p> <p>“It is crucial for us to have women's leadership workshops, empowerment workshops as well as self defence and to provide them a place to sleep if needed. Just as Manita is now staying at ours during the lockdown.” (Yurac, Founder)</p> <p>“After my husband died it was very hard for us but since I started here I feel less stressed and I know that my children and I will be fine. “ (Manita, worker)</p> <p>“It is nice for me to create something unique, just out of my imagination and to have found a family where I can share my feelings and emotions.” (Manita, worker)</p>	<p>“Especially now in this crisis it is great to see how we stick all together. Other brands who do not know their producers and live far away from the workers have struggles surviving. But we are doing quite fine. We are in contact with all the communities and try to find solutions as much as possible for everyone.” (Yurac, Founder)</p> <p>“So having instagram was definitely the best tool to use as now we have over 4000 followers with whom I communicate on a daily basis. Furthermore I also think that we will score regarding laws that might get strict in Europe regarding the social aspects and human rights in the clothing industry.” (Yurac, Founder)</p> <p>“Even when I went to these sustainable fashion fairs in Berlin this year in January, many people were interested in our clothes. Many other brands were just producing with maybe certified factories or with a social enterprise, but the people loved to hear the stories of the women we work with and also to see the pictures of them. This definitely gives a good reputation”</p>
<p>1.7) Ankur Kala</p>	<p>“The up-cycling part yes but in general I think that circularity especially recycling is actually quite</p>	<p>“We also started a captive organic farm next to it where the women also work. Often the women had very bad</p>	<p>“Back in the time most NGOs and institutions were focusing on charitable activities but at Ankur Kala we had another</p>



	<p>time and energy consuming. But we all work very closely to each other and as soon as there are some problems with the up-cycling process we can communicate straight away on it.”</p> <p>“The women reuse many things at home actually but they do not know the term circularity or sustainability, especially regarding fashion they do not understand.”</p>	<p>health conditions due to wrong nutrition leading to anemia, that’s why we created this garden.” (Nitya, Board Member)</p> <p>“First, she starts with the alphabet – English and Bengali - if illiterate, and progresses then to courses in Business Management including costing, fixing selling prices, doing the budgets and also increasing the selling skills but also lessons like maths and human rights. Training skill lessons are given for food products on our organic farm such as the grow of Sauces, Jams, Pickles, Squashes, Condiments. As well as handicrafts and creating clothes, which is how we started. We provide lessons in creating tailored items, various bags, hangings, decorative/household items, Tie-and-Dye and Batik.”</p> <p>“We all come from different caste systems and different religions and it is so beautiful to see that we created this magic project all together where diversity is respected and promoted.”</p> <p>“Over the last 4 years Sajda has blossomed into a confident and dignified young woman and is able to earn a decent livelihood for her and family.” (Sajda, worker)</p>	<p>goal because we wanted to create a sustainable model based on economic self-sufficiency. “ (Nitya, Board Member)</p> <p>“We started as a very small project but today Ankur Kala has developed into a leading institution in West Bengal for self-employment training for unprivileged women, we are so proud that we achieved this all by ourselves. We received funding but only at a state where we had grown already and could show already first results of social impact.”(Nitya, Board Member)</p>
<p>1.8) Solerebels</p>	<p>“No we don’t have any cost-savings. Up-cycling is</p>	<p>“Full medical care for all of them as well as education</p>	<p>“We have done that and more</p>



	<p>very time consuming and you have to pay people to go and find the perfect tires, check the quality after each production process etc. so this takes a lot of effort, time and also money actually.”(Bethelehem, founder)</p> <p>“Here in Ethiopia, recycling things is a way of life. In fact, we’ve been recycling and up-cycling for years without ever labeling these actions. It is a very Western concept.”</p> <p>When you have limited resources, everything is valued and valuable, everything has a purpose even if not the original purpose it was intended for - and if not, one can be found for it. Reusing our items and fabrics is a way of allocating our limited resources, it is crucial for us to survive as a business. For us here in Ethiopia, it's equal parts ingenuity and resourcefulness that equals TRUE RECYCLING.”</p>	<p>funds for our employees and their families. Furthermore, we offer salaries that are on average 4 times the legal minimum wage and 3 times the industry average wage for similar work. In the community we work in were literally no jobs before and poverty was enormous.” (Bethelehem, founder)</p> <p>“Our whole community was able to grow and to develop economically due to the wages that are provided. It allowed them to achieve a decent standard of living for workers and their families, including building bigger houses and being simply not stressed anymore about financial issues. Before our streets were filled with sadness, now they are filled with hope.”(Bethelehem, founder)</p> <p>“So even though our worksite is within walking distance of our workers' homes, we provide transportation to and from the worksite for the workers</p>	<p>and we are proud to say that the soleRebels brand is being enjoyed by people in over 30 countries around the world, we got featured in many magazines and have over 10 thousand instagram followers now.” (Bethelehem, founder)</p> <p>“Today we are considered the world’s fastest growing African footwear brand and the first to emerge from a developing nation. We started with less than \$8,000 in capital we raised from family, friends and fund-raising. Today, the company has more than 100 employees and nearly 200 local raw material suppliers and produces over 70,000 pairs of shoes every year. “ (Bethelehem, founder)</p> <p>“...forecasts revenue of \$10 million or more this year. Can you imagine, we started with only \$8000.” (Bethlehem, founder)</p> <p>“I really think that our business shows that eco-friendly production and community empowerment go hand in hand with financial success.</p>
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	<p>(Bethlehem, founder)</p>	<p>that suffer from disabilities.”(Bethlehem, founder)</p>	<p>“(Bethlehem, founder) “Even in the current lock-down we were able to still produce as we know all our suppliers, were in contact with them and didn’t have shortage of supply like many other fashion brands who have a supply chain scattered throughout the whole world. We make sure that everyone is doing fine and are constantly in contact during these hard times.” (Bethlehem, founder)</p>
<p>1.9) Eco-shoes</p>	<p>“Ok so for us up-cycling and sustainability is not a trend, it is knitted into our culture. We reuse and repurpose all our items as much as possible. In the beginning we had no financial means to invest into other items. But the people we work with do not know these words. Actually it is funny because the more you go into rural and less developed areas, the more circular their practices are and the less they know actually about these concepts. For them it is normal and they do not know that in some parts of the world everything was not circular for a long time and now needs to become again circular. From them it is not a trend. Circularity turned into a massive hype in the last years I realized also because online we got</p>	<p>“My main goal was to change perceptions of disabled people who all too often are discarded by their families and society who see them as burdens not being capable of making any contributions to society.” (Mable,founder)</p> <p>“We give educational workshops including English lessons and business courses to the people and all of them are now able to self-finance themselves. The disabled people as well as the women we work with are able today to invest into their own house, can provide food to the whole family and can afford education of their children.”(Mable,founder)</p> <p>“The 10 disabled people we work with, including my grand-mother, got much more confident and mentally</p>	<p>“It is because of the social aspect that we started our work and it is mainly also because of this that we got so much recognition, fundings and also prices.”(Mable,founder)</p> <p>“In 2013 Eco-Shoes Project produced 500 pairs of shoes. Due to demand for the beautiful shoes, by 2014, the number had risen to 1,500 pairs. Although it is called the Eco-Shoes Project, in late 2015, handbags were added as a new product. Ms. Suglo anticipates that the artisans will produce 1,000 to 1,500 handbags per year in addition to the shoes that are being made.” (Mable,founder)</p>



	<p>so much more attention. For us it is simply normal to do this.”</p>	<p>stable. Before joining us most were extremely shy and suffered from depression.”(Mable,founder)</p> <p>“We want them to design the items as much as they can, in the beginning we only did shoes and it was their initiative to also start with bags and other items.”(Mable,founder)</p>	
<p>1.10) Kuchinate</p>	<p>/</p>	<p>“Kuchinate is a psychosocial project aimed at empowering the most vulnerable asylum-seeking women many are survivors of human trafficking, torture, and sexual abuse. The act of sitting together in a supportive, communal environment whilst making creations rooted in African culture is therapeutic and helps the women cope with the difficult realities they are facing. ”(Lindsey Taussig, Studio manager)</p> <p>“It is hard for me to concentrate, and I am tired,” she admits. “But here I meet women, I relax, eat something, rest. The most important thing is not to be home alone with my thoughts. If not for this job, I would sink into a great depression. Working and creating gives me the strength to cope.”(Lamlam, worker)</p>	<p>“We noticeably increased financial income over the last years, sold for 200k and over 9000 products until now.”(Lindsey Taussig, Studio manager)</p> <p>‘We received a lot of fundings since the last years and got a lot of recognition for our work due to the strong social stories that we have.’(Lindsey Taussig, Studio manager)</p>



		<p>“The collective employs six women as full-time managers, while some 140 women receive payment based on their output.”(Lindsey Taussig, Studio manager)</p>	
<p>2.1) Maison Tika/Saheli Women</p>	<p>“We do not produce a lot of waste so circularity is deep in our culture but we do not label this behaviour with a name. Regarding our practices I would say circularity became a part of it only a few years ago. We adapt to the demands of our clients, we could see that since 2-3 years more and more clients demanded to have up-cycled or recycled materials but I know for them it is not seen as a necessity to survive. For us it is a way to allocate our resources in an efficient way because we have no other choice, for them in the global north where the countries are more developed it is seen as a new trend or a way to achieve self-realization. For example our clients always say that sustainability and yoga are their passions and hobbies, for us here in India it is our normal lifestyle. “ (Madhu, Founder)</p> <p>“It took me a while to understand this and to see how the same concept means two different things in two different parts of the world. For us it is a way to</p>	<p>“Before I was living on the streets with my 3 girls as I was a widow and got kicked out of my community when my husband died. When your husband dies in India, you are not worth anything anymore. Now I work here for 4 years and two years for Stefanie from Maison Tika and I finally got back to life again. I was very shy and depressed when I came to the Center. My children and I were also very skinny as we didn’t have enough food to eat and no place to sleep. Now 4 years later my children and I live next to the Center, I was able to build a little house all by myself for me and my children. This makes me really proud.” (Geeta Ji, Worker)</p> <p>“Many other women like me bought a cow, goat or chickens to produce food for ourselves, now we have good food all year around. Some women bought a piece of land to do farming. We all had anemia when we came to the center and didn’t get our periods because of lack of vitamins but now we have a more healthy life because we can finally afford good food. I also feel that my back pain is gone. Three years ago</p>	<p>“As we do not have enough revenue at the moment that I could employ someone, it is only me until now. Because the women produce very slowly and we really try to align our activities with slow and sustainable fashion which also means that a business can only grow very slowly.”</p> <p>“But the fact of being ethical and environmental friendly really helped me to become visible in the market. I feel like I don’t have to approach the people too much to sell my items, they often come to me.”</p> <p>“I really think that I have fewer risks compared to other big fashion businesses. I am constantly in contact with the SE and producers and visit them once a year. There are no other middle-men in between us which increases the transparency and trust. Especially now during the Covid Crisis the benefits of our business strategy can be seen. While other big brands with massive supply chains were drowning during this crisis, we were able to continue producing.”</p> <p>If I have a problem or a question regarding production I can straight away ask Madhu, the founder of the social</p>



	<p>fulfill our basic needs and to use our resources as efficient as possible, but I think that for the countries in the Global North it is seen as a way of self-realization and fulfillment. They do not have to worry anymore about basic needs problems and can consider sustainability as a main problem.” (Madhu, Founder)</p> <p>“It is very interesting to have two different cultures working together around sustainability.”</p> <p>“Stefanie for example introduced us to re-usable hygiene kits for menstruation. This is something we didn’t know about or that it even exists. Another example is reusable water bottles. Another client of ours brought us all colorful water bottles from a brand in Europe.” (Madhu, Founder)</p>	<p>i was working as a farmer on the field for about 12 hours a day. Now I work only about 6 hours and my job is less intensive. I feel less stressed because I know my children and I will be fine as this organization represents a secure place for us with people that have similar back-grounds and problems. We really found a new home and family here. “ (Sharmili, Worker)</p> <p>“Because we work with mostly western brands, we need to follow the strict time schedule and also quality control. I think this is something that we all learned thanks to working with western brands, structure. In the Indian culture we are not very structured but we learned to be very organized, structured and to follow a plan. Structure is something I didn’t know before joining the Center. I am also much more structured now in my personal life for example in my household, when I cook and when I go to bed which I really like.”(Madhu, Founder)</p> <p>“Also regarding innovation, most learned how to use a phone and we also have a strict template system for our orders to be up-dated at any moment about our orders. The women all learned how to use the IPAD and to fill in when they finished an item so we can trace and control each step of the production.”(Sharmili, Worker)</p>	<p>enterprise. I think that soon more regulations regarding ethical production will be put in place and demand for transparency will increase. In that case hopefully all the brands not aligning with the law will be forced to close down and the brands who have been producing in an ethical way for a long time will be remunerated for their hard work.”</p> <p>“Clients told me already that they can feel and see the story in each item and that they are all handmade and unique.”</p>
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<p>2.2)The Anjelm's Project (Brand)/The stitching project (SE)</p>	<p>"No they do not understand the concept of sustainability or circularity yet. They understand that we do up-cycling for some brands for example out of vintage saris and also start realizing the consequences of the waste around their houses. We have an enormous plastic problem here in the village as the people buy more and more western products that are available in our local shops such as coca-cola and american chocolate products but there is no garbage collection service operating in the rural areas of India. So they understand that waste is something that should be avoided and they actually all practice reusing and up-cycling practices by themselves but they do not understand the concept behind. I also do not give them education lessons on circularity and up-cycling because I think first the people here should be educated on other things which have a higher importance to them. Working with the two different cultures I think it is very interesting for me to see what is happening regarding sustainability. I feel like since 2-3 years our brands shift much more towards sustainability and up-cycling. Before it was important to them that the items were made ethically, now they also want</p>	<p>"I was very shy and scared before and also looked very weak and skinny. They gave me straight away clean clothes and food. I finally had a reason to live again and someone who takes care of me."(Rekha, worker) "What I actually like the most is that I have structure now in my life. In the beginning I thought I would not be able to have a routine and I felt too weak to work but Fiona taught me discipline and that I can do it. Now I work every day 6 hours at the Center and arrive every morning arrive at 8:00." (Rekha, worker) "Our western clients are often very time bound and thus we need to work in an efficient way if not the partners will go and work with another social enterprise. We put a system in place with ipads. So we have two ipads in the center where as soon as an item is finished the garment worker should put the production details inside. Like this we can monitor at any moment the production and have an overview of who did what. If we see that a major qualitative mistake is in an item, we can trace back who produced it. Through this we can even enhance our workshops and adapt the skills training to each worker individually. Most of the workers also bought a smart phone lately so yes i would say that due to working with the international clients like</p>	<p>"We started doing it as a hobby but now we are finally able to make it as our main profession." "Yes I was also about to mention this, I think that future regulations demanding stricter laws in the fashion industry will be implemented soon. In that case we will have of course an enormous benefit. In the beginning we did not do up-cycling."(Gaelle, Co-Founder) "Yes so the up-cycling part is much cheaper. In the beginning we only used newly produced fabrics but now due to the up-cycling we almost have half of the costs for fabric only. I have to say though that on the contrary recycled items are almost even more expensive than the normal fabrics as they had to undergo several production steps and cost a lot of energy. "(Gaelle,Co-Founder) "Yes absolutely, we feel that it was much easier for us to become visible due to the fact that we are a sustainable brand and working in an ethical and environmental friendly way, access to the local and international market was very easy. "(Gaelle Co-Founder) "The people love the unique products and always claim that they can really feel our 'one of a kind' items. So I really think that our success derived from the story behind our products."(Co-Founder)</p>



	<p>increasingly environmentally friendly fabrics and want us to use recycled or up-cycled materials. You can definitely see that the demand is growing in the Western countries and that ethically produced is not enough any more.” (Founder)</p> <p>“The only thing that changed is that we got introduced to more western sustainable tools such as reusable drinking bottles and bamboo toothbrushes that some of our partner brands sponsored us.”(Fiona,Founder)</p> <p>The western people coming to developing countries and trying to implement their ideas of circularity as an act of self-realization into this country that is not even at the point to be economically well of. I think you can’t really care about the other people and the environment until you and your family are well off yourself.(Fiona, Founder)</p>	<p>Anjelms we get introduced to more innovative systems.”</p>	<p>“We made small steps but we are happy to have reached the point to be economically self-sufficient due to the social business that we are running. The atmosphere within the team is great.”(Co-Founder)</p>
<p>2.3) Abury/ Andrea foundation</p>	<p>“For the environment part, we try to make them understand that trash is degrading the environment around them. We do think that this is something they know already of course. Here in the mountains the communities are not used to plastic as they lived for</p>	<p>“For example further education of the people we work with, skills training but also projects like building a school for their children.To pay fair salaries is a start, but not enough for us! After all, they are the creators behind our beautiful products so we feel that we have to give</p>	<p>“We instantly managed to find several shops who absolutely wanted to sell our items straight away after we launched in 2008. We offered something new in comparison to competitors as we could create a story and not only a fashion item, this definitely</p>



	<p>so long without packaging. There is no garbage collection system and thus the area is getting increasingly dirty. They do understand that a polluted environment can have a negative effect on their water systems and also on their animals for example when they eat the plastic that is lying around, nevertheless the concept such as sustainability and circularity is unknown to them.” (Alicia, Project Manager)</p>	<p>back more.”(Alicia, Project Manager)</p> <p>“For the women we offer literacy courses as well as computer and technology courses as we believe that improving their computer skills will increase chances to prosper in a career while earning money. Innovation is such an important aspect for our organization. Due to the fact that our orders always have to be on time we believe that it is not only important to teach our workers skills regarding clothing manufacturing but also structure and how to work in an innovative and efficient way.”(Alicia, Project Manager)</p>	<p>gave us an advantage when we started.”(Andrea, Founder)</p> <p>“Especially since the last 1-2 years I would say, we realized a shift in our consumers’ mind. They started to ask more where the products come from and in which way our leather is upcycled.”(Andrea, Founder)</p> <p>“As a slow and conscious fashion brand it always takes some time to get to the stage where you can actually make profit. The problem is that the production costs are quite high due to the fact that you produce in an ethical way with fair prices. In the beginning when no one knows your brand it is hard to sell items for an expensive price. The second problem you are facing is that the production quantity remains small and production is slow, thus your expansion and financial growth rate will be slow in the beginning.”(Andrea, Founder)</p> <p>“In the beginning we produced new bags out of vintage leather pieces which of course demanded a lot of labour and resulted in high production costs. Now we also have vintage bags that we sell, in the beginning we thought people would not buy these items as most of them have stains or for example loose</p>
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			<p>threats. But actually the people ove these bags even more as they represent vintage and unique pieces, through this we saved a little bit on production costs.”(Andrea, Founder)</p>
<p>2.4) Tassel and Tales / Al Kawtar Women’s cooperative</p>	<p>No they do not get lessons on this, some women are still suffering from traumas from their past and we feel that we have to educate them step by step again into life. First they get skill training and in a further step for example language courses but I don’t think that they would understand the complexity behind sustainability and circularity. I mean we in the west do not even understand a 100 % yet the impact and possibilities of circularity. I feel it is a very western concept and we can’t impose them on communities that still have other problems. We often have discussions regarding this thematic with the people from the SE. The women do up-cycling and reusing by themselves in their personal routines but I really doubt that they would understand the</p>	<p>“Working at the cooperative has helped Hafida find confidence, and she dreams that the cooperative will one day branch into other countries, to help other women like her all over the world.”(Hafida, Worker)</p> <p>“Al Kawtar and the intricate work that she does here is a space for her to freely use her brain, it does not matter that she has not had any formal education. In the future, Touriya hopes to live in a peaceful environment where women may experience equality, and she can raise a family of her own.” (Touriya, worker)</p> <p>“I do not consider my disability an issue, instead, I find purpose in my place at the co-op and am inspired by the new challenges I met with each day at Al Kawtar.”(Naima, woker)</p> <p>“Of course we help all of them with medical care and assure their health insurance and all equipment they need</p>	<p>“Definitely the biggest value lies in our items themselves. They are all so unique and made with love, you can really feel the love in every tassel. We think that the product itself was the main reason we were able to grow our company so much. “ (Sophie, Founder)</p> <p>“For the up-cycling part yes we do save some money because we can buy the vintage fabrics for relatively cheap, luckily the searching of the vintage items we do not have to do by ourselves but someone from the SE in Morocco is doing this for us. The recycled fabrics are quite costly but they also sell better because the chances are higher that a client buys something that is recycled than made out of ‘normal’ material. In the beginning we created clothes with newly made silk that we designed ourselves, this was extremely time and cost consuming. From then on we decided to</p>



	<p>scientific explanations about it, not yet.</p> <p>“We use recycled polyester for our sports collection. Even though these fabrics are much more expensive than regular textiles, we feel responsible to also tackle the plastic waste issue and thus we started to integrated also recycled fabrics since 2 years.”</p>	<p>for their specific disability.” (Sophie, Founder)</p>	<p>produce only in circular ways.”(Sophie, Founder)</p>
<p>2.5) A / beautiful Story /Bead for life Nepal</p>		<p>“The project allows the women to earn their own money, which in turn allows them, for example, to send their children to school. “ (Nimdiki, Founder)</p> <p>“In the last ten years we have expanded so that we can train more village women to enjoy making jewelry at home or in rented workshops and to give their families a measure of economic security.” (Nimdiki, Founder)</p>	<p>Today we sell in over 100 shops are a team of about constantly 10 people and the brand has turned into a multi-million business nowadays.</p> <p>So regarding the value I would say that the main value that is created for us is the reputation and how easy it was for us to make a name in the jewellery industry as front-runners for sustainable fashion.</p> <p>So regarding financial growth we can say that it comes slowly but steadily, when we started it was quite hard because the production was created under the values of slow fashion so we didn’t have many products to start with. Now after almost 14 years we reach a number of almost 12 thousand people through our instagram account. Especially from 2017 on we gained most of these followers reflecting on how</p>



			the consumer patterns of the people are about to change.
2.6) Safartravelbag / Princessdiyaku marifoundatio n	<p>“To give you an example, so most women produce clothes for their children themselves by sewing old fabrics together or they go to a clothing collection center and get clothes for free from there. Last time I visited them in India, one of the women proudly showed me the brand new glittery shoes she bought for her little daughter, she was so proud telling that she went to the store and bought new shoes for her daughter, not old ones.”</p> <p>“They will get out of their circular lifestyle to enter to undergo the same consumption patterns than we did. Once they are financially well of and do not have financial worries anymore, they can self-realize themselves and care about the environment and other people and not themselves</p>	<p>“...training hundreds of women in various income generation skills, forming Self Help Groups (SHGs) and connecting them to various government schemes.” (Founder)</p> <p>“Coming to PDKF has changed her life and empowered her. Now with her monthly financial contributions, she has earned the much needed respect of her in-laws and aims to educate her children to give them a better life.”(Kushboo, worker)</p> <p>“Working at PDKF, she has been repaying the loans and educating her kids, she says, “ At PDKF, I feel free and fearless.” (Antima, worker)</p> <p>Asha has broken the barriers of poverty and now with the support of PDKF, is capable of taking care of herself and her family emotionally as well as economically. “I had a lot of depressions previously</p>	<p>“... apparently the quality would be better and also the fact that each piece is unique and handmade would give an extra added- value. “</p> <p>“Yes, so from the beginning on it was my idea to only use dead-stock materials. As the whole idea was to make something good for the environment as I wanted to be consequent and make sure that my business is from start to end as sustain Unfortunately not yet, but I hope to be able to do it so very soon. I do believe that a sustainable fashion business can be profitable it just takes time to grow.”(Olivia, founder)</p>



	<p>anymore. At that point, eventually they will get back again into circularity. Right now they practice up-cycling methods because they have no other choice, so I think it is too much of a cultural difference to teach them about the terms circularity. The meaning of the concept is completely different in the Indian and Austrian culture. For one it is a necessity to survive, for the other one it is considered as a fashion trend.”(Olivia, Founder)</p>	<p>and because of economic reasons often got beaten up by my husband. This has very much changed now that I have a stable job. I could sleep again and felt more calmly from the first day on that I started to work here” (Asha)</p> <p>“I felt guilty in the beginning to give deadlines and to make them apply strict schedules and using technologies like templates to track the production steps, but in the end I think they learned quite a lot from this and managed to implement this structure also into their personal life. So I think that is also a value that has been created for them.” (Olivia, Founder)</p>	
<p>2.7) Yevu/ / Yevu Foundation</p>		<p>“Big picture, we want to create opportunities for the daughters of these women, because, as research has shown us, if you educate a girl then you educate a whole nation.</p>	<p>“Well in the beginning we produced only with new fabrics, it is actually only very recently that we also started to do upcycling by using dead stock material.</p>



		<p>They are financially independent, empowered, confident, and making choices for themselves and their families.” (Anna, Founder) “I’ve gained a lot of sewing experience especially using the cutting machine, making patterns and working speedily and efficiently since I joined YEVU.” (Worker)</p>	<p>. I think it always takes some time until you will start making profit as numerous things will definitely go wrong in the beginning. Since we started using deadstock material we definitely saw a decrease in costs which was great. Furthermore I am simply feeling calm about the future because I know that a shift is in the making and that consumers and hopefully also laws will push further for sustainability in the fashion sector.” (Anna, Founder)</p>
3.1) Irene Bozza Jewellery and Mboni ya Vijana	<p>“The farmers get lessons about sustainable farming techniques”(Irene, Founder)</p>	<p>“Mboni ya Vijana Group supports rural communities in extreme poverty adapt to climate change with sustainable farming, access to water, entrepreneurship, environmental conservation and peer education. Their projects develop the skills and resources for people to lift themselves and their families out of extreme poverty.” (Irene, Founder) “They provided jobs now already for over 290 farmers.”(Irene, Founder)</p>	<p>“We would love to work with rural communities to produce our items as well but unfortunately this is not possible as to teach them the specific skills to make luxury jewelry would take very long, this is a job that takes years to learn. So I would say it is mainly the good reputation that is created as our clients really appreciate that we donate a part of the profit for a good social cause. Also within our company I think it created a nice open atmosphere and it shows how much the individual members care about social aspects as well. We always decide together which projects we should donate to.”</p>
3.2) Zazi Vintage/IPHD	<p>“The girls get lessons about sustainability and environmental protection. They are the new generation and need to be aware of these issues” (Madhu Vaishnav, Founder)</p>	<p>“We upcycle vintage coats and donate 80 euros to the IPHD girl education project “ (Jeanne de Kroon, Founder) “One coat covers the education costs of one girl for a whole year. It provides her with books, the needed</p>	<p>“This is something I do for myself because I believe in community development and women empowerment.” (Jeanne de Kroon, Founder) “It is important for me that everything I do and create is aligned with my values to do</p>



		<p>tools and uniforms.” (Jeanne de Kroon, Founder)</p> <p>“The goal of the program is to improve girls’ access to high-quality education by sponsoring girls to go to school and involving the community in a multi-pronged approach of advocacy, sponsorship and follow-up. We also have a Youth Feminism and Human Rights projects with which we aim to tackle inequality and mistreatment on the basis of gender, caste and religion in the village by leading educational workshops to secondary school students.” (Madhu Vaishnav, Founder)</p>	<p>no harm neither to the environment nor to people.” (Jeanne de Kroon, Founder)</p>
<p>3.3) MyEinführung/ North-South Cooperation</p>	<p>“Because we work with very innovative cutting technologies in Italy, the community development and social aspect was very hard to integrate into the core business which is about circularity.” (Falvia, founder)</p>	<p>“Every season 2% of our sales are donated to a selected charity association that reflects our philosophy. This season we support North-South Cooperation, specialized in providing education and training to marginalised communities to enable their empowerment.” (Falvia, founder)</p> <p>“350 direct beneficiaries and 4,350 indirect beneficiaries benefit from the donations last year. The get literacy program where the four community groups we work with follow an adult literacy programme to learn writing, reading and simple math calculations. The beneficiary women will use the acquired skills to educate their own children and to sell their</p>	<p>“We work with very innovative ateliers in Italy who have the newest machines to cut with as least waste as possible.” (Falvia, founder)</p> <p>“So definitely this fact of donating the 2% is for me it's fundamental because I have to give back in a way but I don't I don't think it does any kind of particular thing to my image of the brand.”(Falvia, founder)</p>



		<p>products on the local market. The second program is the food security program where the women will attend a basic agricultural training programme, including modern techniques.” (Fabrice Bernard, Program manager)</p>	
<p>3.4) Ekam /I-India</p>		<p>“To be honest I think that social enterprises in India and maybe also in general are not able to reach the quantitative and qualitative level needed to create a profitable brand that is also why I did not want to work with a social enterprise but decided to create a social impact through donations due to our profits.” (Avisha, Founder)</p> <p>“I-India was founded in 2001 and houses about 40 girls.They are provided with love, shelter, security, nutrition and medical care. They attend a local school and obtain skills training at Ladli, I-India’s vocational centre. “</p> <p>“After a few months I settled in and now feel safe and comfortable. I go to school and learn jewellery-making which bring me a lot of joy.” (Avisha, Founder) My goal is to become a good mother and wife who loves her children and family”.(Meena, 13)</p>	<p>“I mainly do it for myself because I believe in social development and that businesses can also have a social impact. “ (Avisha, Founder)</p> <p>“I do communicate it briefly on my website but you know I also don’t want to jeopardize my own brand because my clothes I produce with a factory in Jaipur.”(Avisha, Founder)</p>



<p>3.5) Amaz Shoes / Education for All</p>	<p>“Our shoes are produced by skilled shoe-makers who know their work since year, they also get a fair loan of course but we really wanted to support the girls also in the rural areas.” (Fadela, Founder)</p>	<p>“The project is about promoting secondary school enrollment for girls in remote rural communities in the High Atlas. The NGO builds and runs boarding schools for girls near the colleges. The first school was opened in 2008 in Asni 45 km from Marrakech in the High Atlas Mountains, and the number of boarding schools currently managed by the NGO is 5 for a total of 180 girls between 11 and 18 years old.”(Fadela, Founder)</p> <p>“We offer 3 nutritious meals a day, hot showers, 24h electricity, access to computers, and try in this way to cover their basic needs as much as possible. Also study support via an international volunteer programme and dedicated, local housemothers are provided.The overall environment makes it easy for the girls to settle in and thrive in their studies. We see an average of 90% pass rate across all years and now have 50 EFA girls enrolled at university!” (Fadela, Founder)</p>	<p>“I would say that the educational part so funding does not bring that much value for the brand as our main concept is still the up-cycling part. Nevertheless I would say it is a nice add-on and definitely gives us a nice image. We like to communicate about our social donations and that we give back to the community we work with. It is definitely an aspect that the people appreciate a lot.” (Fadela, Founder)</p>
<p>3.6) Solo Eye Wear /Aravind</p>	<p>“We produce our Sunglasses in innovative factories in Turkey and the</p>	<p>“We started with only 11 beds and now today we made over 56 millions patient check-ups and 6</p>	<p>“Regarding value created for the brand: Reputation, market entrance because they communicate a lot about their</p>



<p>Eye care System</p>	<p>united states,being acquainted with the nest recycling methods. It was hard to combine this with social projects thus we came up with this solution. Even though the social and the circularity aspects are not combined we still wanted to have them both in our business model”</p>	<p>million surgeries mainly in rural areas.”(Lakshi, Communication) “We officially restored vision to 15,000 people across 32 countries through the funding of eye exams, eyeglasses and cataract surgeries.” (Founder)</p>	<p>social aspects online. A good atmosphere is also a value that gets created for us. You can really sense hw all the workers get along well, they all share the same value and mission if not they would have applied for a different company. “(Founder)</p>
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