

The accuracy of European policies in fostering the sustainability transition - The case of the ‘European Strategy for Sustainable and Circular Textile’

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ABSTRACT

The fashion market is a solid and strong sector, which positively contributes to the global economic system. Yet, its negative implications on the planet and societies are becoming progressively worse. If companies do not intend to initiate a sustainability transition, it is in the best interests of governments and International organisations to set the optimal conditions for such change to happen. In this perspective, policy instruments are probably the strongest tool available, if policy-makers correctly identify the market failures to be addressed.

In the European context, the transition toward a greener economic system is among the pillars of the mandate of the current European Commission. Within the framework of the European Green Deal, the Strategy for Sustainable and Circular Textile is the main policy tackling the un-sustainability of the fashion market. This study focuses on understanding the accuracy of the strategy in addressing existing failures in the sector. By using a qualitative methodology, a general description of the apparel market is derived, in order to identify key market failures or structural problems that need external interventions. Among the various steps of the supply chain, a more detailed analysis is conducted on the usage of chemical inputs and the implementation of recycling activities. Instead, from an extensive analysis of the content of the strategy, the study extracts the coverage of the instrument, specifically which are the core policy objectives and how it intends to reach them. The comparison between the two results demonstrates that the Strategy and its writers had a quite accurate picture of the weaknesses and un-sustainable segments of the market, especially in the two special cases of chemicals and recycling. Yet, the policy did not provide solid interventions for two of the identified structural problems. In some cases, interventions are not yet clearly defined and still have to be designed. The study therefore suggests that scheduled updates should include more details about the implemented measures, while future research could either evaluate the effect of the policy on the market or follow the status of developed related instruments.