

Rethinking Fashion

Can Local Initiatives Drive Systemic and Sustainable Change?

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Introduction

Over the past thirty years, the scale and pace of production and usage of clothes have multiplied exponentially, aided by the rise of globalization and the development of what appear to be low-cost alternatives such as those proposed by the Fast Fashion industry [see Sark and Gotthardsen's as well as Hock and Kenel's chapter in this volume]. While at first sight this model has enabled the proliferation of affordable clothing, it has come at a high cost, generating significant environmental, social, and cultural externalities (Ellen MacArthur Foundation 2017). At every step of the supply and consumption chain, the fashion industry currently perpetuates injustices which are at odds with human rights and environmental concerns. In response to increasing public awareness of these issues, some industry players and policymakers have adopted practices aimed at reducing harm [see Demandt and Gözet's chapter in this volume]. However, these efforts often lack the depth necessary to catalyse systemic change. The structural transformations required to address these challenges holistically and sustainably remain largely unfulfilled (Bauwens et al. 2020; Bauwens/Mertens 2017; Kampelmann 2017).

This chapter contributes to the academic discourse by examining the transformative potential of local, purpose-driven initiatives. Focusing on the intersection of sustainability and artistic innovations, it investigates how organizations deeply embedded in their local contexts can create innovative practices with broad social, environmental and economic impacts in their territories.

By investing in the community and leveraging local resources, companies can create positive feedback loops that drive both economic and environmental sustainability in their communities (Folhes et al. 2015). Based on the analysis of these aspects, this chapter points out how the territorial dimension for a circular supply chain can foster closer relationships among consumers, suppliers and other stakeholders, helping to build trust and transparency, which are crucial elements to change the system and re-introduce other forms of economic integration be-

yond market-exchange, namely redistribution and reciprocity (Polanyi 1944). The fashion industry presents a compelling opportunity to apply circular and territorial principles, in order to challenge its conventional linear production model (Brydges 2021; Soni/Baldawa 2023). By prioritizing local ecosystems and resources, fashion companies can foster shorter, more sustainable supply chains that align with the specific environmental and social needs of their regions [see McRobbie's chapter in this volume]. Locally sourced materials, artisan craftsmanship and production practices that minimise waste and pollution can form the foundation of a circular fashion system. This approach emphasises reuse, upcycling and recycling at a community level, fostering networks of designers, artisans, suppliers and customers to collectively reduce environmental impacts. For example, rather than relying on international supply chains, brands could collaborate with local suppliers and artisans, thereby supporting the local economy while promoting sustainable consumption. Based on reciprocity and redistribution, community workshops on sustainable practices, second-hand clothing markets, and partnerships with educational institutions could further embed these principles, fostering skill development and public awareness.

At its core, this territorial approach prioritizes creating and strengthening social bonds. By involving local stakeholders in decision-making and aligning business practices with community needs and values, fashion companies can deepen their connection to the regions in which they operate [see McRobbie's chapter in this volume]. Such connections enhance inclusivity, foster mutual accountability, and create a more cohesive approach to sustainability. Through an empirical case study of *XNOVO*, an emerging Italian social fashion start-up implementing sustainable circular economy strategies, this study offers an analysis of the transformative potential of alternative entrepreneurial experiences deeply embedded in their surroundings. Led by a group of young entrepreneurs under 30, *XNOVO* offers services and activities aimed at combining circular economy models applied to the fashion sector with artistic impulses from the surrounding environment, resulting in an innovative social business model that is still being defined amongst its members. The organization is based on the principle that fashion is based on craftsmanship, respect for the environment and the enhancement of human relations.

The chapter underscores the role of *XNOVO*'s territorial embeddedness and local engagement in pursuing its transformative vision. While circular business practices form the foundation of *XNOVO*'s impact, the research also highlights the critical importance of community integration in advancing purpose-driven projects and fostering systemic change. This prompts a re-evaluation of traditional organizational boundaries and underlines the need for robust networks to address the intersection of societal challenges and business productivity. However, the *XNOVO* case also raises questions about the scalability of localized models.

Exploring Corporate Territorial Responsibility as a Pathway to Advancing Circular Economy Practices in the Fashion Industry

The contemporary fashion industry operates largely on a linear model characterized by the rapid production and disposal of clothing, often dubbed 'Fast Fashion'. This model emphasises high turnover and low costs, leading to environmental degradation and waste generation [see Salter's as well as Demandt and Gözet's chapter in this volume]. The globalised structure of the contemporary fashion industry often ties Fast Fashion to multinational corporations that outsource labour to regions with lax labour laws and limited environmental regulations. This externalization allows companies to keep production costs low but often at the expense of fair wages, worker safety, and environmental safeguards (Chen/Chang 2013).

The industry has faced increasing scrutiny for its unsustainable practices, prompting a shift toward circular fashion as a potential solution (Kim et al. 2017). Circular fashion aims to counteract the environmental impacts of the linear model by closing material loops, extending product lifespans, and promoting the reuse and recycling of textiles (Ellen MacArthur Foundation 2017). Through these practices, circular fashion attempts to minimize waste and reduce dependency on virgin resources, aligning with broader sustainability goals. Despite these aims, circular fashion is not without challenges. Critics highlight issues with transparency, scalability, and the persistence of greenwashing and social washing (Santos et al. 2024).

The literature on circularity in fashion increasingly emphasizes the need for a strong circularity model. As described by Aggeri et al. (2023). Strong circularity is grounded in the principle of sobriety—promoting reduced consumption, the intensification of product use, and extending product lifespans. This approach aims to decelerate material flows, minimizing resource extraction and waste generation. According to researchers (Alberich et al. 2023; Beulque et al. 2018; Bauwens et al. 2020), strong circularity advocates for practices like upcycling, repair, and sharing economies, which foster sustainable consumption habits. The adoption of such a model represents a fundamental shift from mere recycling to creating systems that prioritize product durability and longevity. However, the principles of the circular economy emphasise the significance of tailoring economic activities to the specific needs of local contexts (Filippi 2024; Chatzichristos/Nagopoulos 2020). Circular models advocate for short supply chains that promote responsible consumption while addressing environmental constraints and fostering stakeholder collaboration [see Salter's as well as Demandt and Gözet's chapter in this volume]. Their territorial dimension reinforces a strong circular economy. These practices not only reduce environmental impacts but also re-establish social connections often lost in globalised, depersonalised systems. Consequently, we advocate that an essential

component of circular models would be the integration of Corporate Territorial Responsibility (CTR) (Filippi 2022).

CTR, as a concept that emphasizes local engagement and cooperation among stakeholders, focuses on the territorial footprint of organizations (Cohendet et al. 2021) and the responsibility to contribute to the sustainable development and resilience of their communities (Ostrom 1990). By fostering collaboration among businesses, local authorities and community organizations, CTR facilitates collective action toward shared sustainability goals. Engaging various stakeholders as active participants ensures that economic, social, and environmental considerations are harmonized within territorial strategies. This in turn could have a strong impact creating or enhancing a sense of place, namely – the meaning that people attach to (their) place (Massey/Jess 1996). In the fashion industry, CTR can encourage locally anchored supply chains, reduce environmental impact, and foster regional economic resilience through social innovation and co-constructed solutions. The CTR is in line with the literature that underscores serious and complex issues, such as climate change and other grand challenges, which cannot be addressed by individual actors alone (George et al. 2016). It also agrees with the literature that highlights that these inter-sectoral collaborations can offer potential solutions particularly when locally embedded (Trasciani et al. 2024). Partnerships and cooperative efforts, as highlighted by Abdelmeguid et al. (2022), play a critical role in promoting sustainability and circular practices. These collaborations, which bring together organizations such as suppliers, consumers, and other stakeholders, can drive sustainable value creation by fostering innovation and aligning shared goals (Hansen & Schmitt, 2021). This localised approach holds promise for systemic change, as it shifts the focus from isolated efforts by individual firms to a collective framework where multiple actors contribute to the circular economy. Olmedo and O'Shaughnessy (2022) also highlight the fact that territorial dynamics promote the embeddedness of economic actors and relations within society and nature and enhance reciprocity, which refers to relations of mutuality between members of a group and community and/or between different organisations. Then the combination of CTR with circular economy principles underscores the importance of creating strong links within the local territory.

Companies operating within this framework could serve as pivots for change, enabling local economies to benefit directly from sustainable practices. By investing in the community and leveraging local resources, these companies can create positive feedback loops that drive both economic and environmental sustainability. This territorial approach to circularity also fosters closer relationships with consumers, suppliers, and other stakeholders, helping to build trust and transparency, which are crucial in an era of widespread greenwashing and social washing (Abdelmeguid et al. 2024). Yet, significant challenges in scalability and accountability persist. While adopting CTR and fostering collective, local action presents an idealized pathway,

in practice, it requires robust commitment, transparent accountability structures, and active participation from a wide array of stakeholders. Fashion companies may only adopt superficial measures, risking green or social washing, that enhance their image without producing substantive impact for the community. Additionally, relying on territorial models can inadvertently limit broader systemic change if these practices remain isolated or too localised, reducing their potential to challenge the global fashion industry's entrenched practices.

Investigative Methods to Link Territorial Responsibility and Circular Economy in Fashion

We selected *XNOVO*, an organization aimed at implementing a circular economic model, strongly embedded in its local area, as a single embedded case study (Yin 2014). We apply a pluralistic data collection strategy, incorporating multiple sources to provide a comprehensive understanding of the subject matter. The data sources include semi-structured interviews with the founders, participatory observation, a survey administered to 50 volunteers and internal data analysis. Concerning the participatory observations, they have been conducted by one of the co-authors, who is also a founder of *XNOVO* and an active member, then personally engaged in the project, to provide an insider's perspective on the daily operations, community interactions, and the practical implementation of circular economy practices. In order to obtain a nuanced view of the internal dynamics and external relationships within the local context, other founders of *XNOVO* have been interviewed by a member of the research team and an anonymous questionnaire has been carried out to gain insights from volunteers – the backbone of the organisation – about the evolution of the organization and its integration into the local community of Garbatella. These data helped to capture the volunteers' perspectives on their roles, the impact of their work, and their views on the organization's mission and practices. While the interviews and the observation provided a foundational understanding of the organization, the survey of *XNOVO*'s volunteer population gave information about the motivation and the future perspectives of the group. The triangulation of internal documents, together with the survey, the participatory observation and the survey permit to have a clear picture of the internal and external dynamics of the organisation. However, the mostly qualitative nature of the research, along with the sample focused on volunteers that are already aligned with *XNOVO*'s mission, may introduce biases and limit the generalizability of the findings.

The Case Study, XNOVO a Local Embedded Organisation in the Garbatella Neighbourhood

XNOVO is an Italian start-up, created in 2019 in Garbatella, a vital working-class neighbourhood in the southern area of Rome. XNOVO's model of circularity involves upcycling and the creative reuse of materials, supported by a network of local artists, volunteers, and businesses. The organisation's embeddedness in the Garbatella community in Rome has been crucial to its success. By fostering strong local relationships, XNOVO has created a resilient and innovative ecosystem that supports its mission of sustainable fashion. XNOVO was funded in the summer of 2019 as a collective social experiment to explore mechanisms of circularity, sharing and creative reuse in fashion within a local community by a group of young people in the Garbatella district. Its first public activity was a clothes exchange market using a fictitious currency, held during a cultural event focused on sustainability, art and the promotion of emerging initiatives.

The blend of sustainability, circularity and art evolved into what later became 'artwear', the core of the start-up's activities. This involves upcycling and creatively reusing unused clothes and waste materials, with significant contributions from local artists and designers. From this foundation, XNOVO has continuously pursued and refined its vision by expanding its activities through numerous collaborations and integrating new techniques, machinery, and creative resources into its team, thus creating an incubator for circular fashion and design projects. To date, XNOVO boasts dozens of artistic and cultural collaborations in Rome. It has developed a collection entirely regenerated from discarded materials, showcased through fashion shows and live performances. Additionally, XNOVO engages in advocacy and mentorship activities at academies, universities, and conferences.

Concerning the neighbourhood, Garbatella is a remarkably cohesive neighbourhood in Rome, known for its strong sense of community and vibrant local culture. When Garbatella's founding ceremony took place in February 1920, an event presided over by Italy's King Victor Emanuel III, the fledgling south Rome suburb was considered remote by many Romans. The neighbourhood was designed primarily to house railway and dock workers working in the neighbouring industrial district of Ostiense. Garbatella was conceived to foster close-knit interactions among residents through its unique architectural layout. Established as a garden suburb, it features a mix of picturesque public housing, lush gardens and communal courtyards, reflecting a utopian vision of urban living. Its narrow, winding streets are lined with buildings that showcase an eclectic array of architectural styles. The neighbourhood's social fabric is notable, characterized by a strong sense of community and cultural vitality also thanks to this architectural configuration. Garbatella still nowadays remains a working-class neighbourhood, known for its unique urban structure formed by 'lots', which facilitate a network of continuous

exchange of information and ideas. This architectural design promotes a village-like atmosphere, where residents often know each other and engage in daily interactions. Relationships between families and neighbours, who often have known each other for generations, create fertile ground for cooperation and the sharing of expertise. Local markets, cafés, and small businesses serve as social hubs, further strengthening community bonds. Garbatella is also home to numerous community centres and associations that organize cultural events, workshops, and festivals, celebrating the neighbourhood's rich heritage and fostering a shared identity among residents. The presence of local schools, libraries, and recreational facilities provides spaces for intergenerational interactions, ensuring that community ties are maintained across different age groups. This network not only strengthens the social fabric but also contributes to sustainable economic growth, where resources, skills, and local knowledge are valorised and reused. Cooperation with other actors in the area, for example, allows XNOVO to have access to discarded materials and fabric, which are then transformed into high-quality garments.

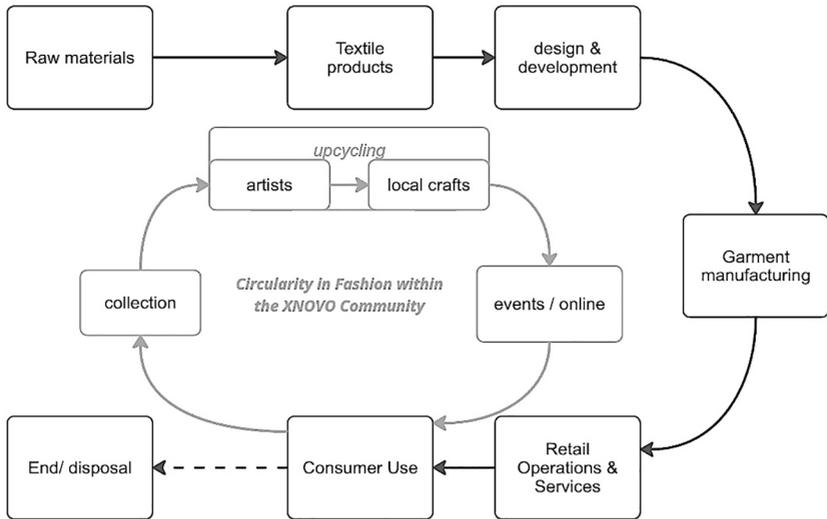
XNOVO's Approach to Circular Economy

Circular fashion is a sustainable approach that aims to create a closed-loop system where resources are continually reused and recycled, minimising waste and environmental impact. This concept contrasts with the traditional linear fashion model, which follows a 'take–make–dispose' pattern. In circular fashion, products are designed for longevity, and materials are kept in use for as long as possible through repair, reuse and recycling. XNOVO has embraced circular fashion by implementing a comprehensive strategy that incorporates upcycling, local collaboration, and community engagement. The following figure illustrates the flow of activities within XNOVO's circular fashion model. The green part of figure 1 outlines the cyclical flow of XNOVO's circular fashion process. Starting from the collection phase, materials are gathered through community events and collection points. These materials are then handed over to local artists and craftspeople who upcycle them into unique fashion items. This upcycled fashion is integrated into local crafts, which are then showcased and sold through events. The proceeds and engagement from these activities help sustain the cycle, promoting continuous reuse and revaluation of materials, thus embodying the principles of circular fashion within the XNOVO community.

XNOVO has devised an innovative and engaging method for collecting second-hand clothes. They organize community events and collection drives where residents can donate their unwanted garments. Additionally, XNOVO collaborates with local schools, businesses and community centres to set up permanent collection points, ensuring a steady flow of materials. The collection process is a community effort in-

volving various stakeholders. Local volunteers, community groups and partner organizations play crucial roles in organizing and managing collection events.

Figure 1: XNOVO circular model



XNOVO also employs staff dedicated to overseeing the collection points and ensuring that the donated clothes are properly sorted and prepared for the next stages of the upcycling process. As shown in figure 1, once the clothes are collected, they are transported to XNOVO's workshop in Garbatella. Here, a team of skilled artisans directed by the founder and young designers, sort the materials based on quality, fabric type, and potential for upcycling. This meticulous process ensures that each item is given the appropriate attention and transformed in a way that maximizes its value and lifespan. XNOVO regularly hosts events to promote circular fashion and to engage the community. These include clothing collection drives, upcycling workshops, fashion shows, and community swap meets. Notably, XNOVO has organized clothing swaps at *LA STRADA*, a well-known social centre in Rome that has been actively contributing to the local community for the past 25 years and at *La redazione Scomodo*, one of the most vibrant and innovative editorial ventures in Rome, managed entirely by young students and recent graduates. This collaboration allows XNOVO to leverage the extensive networks and influence of both *LA STRADA* and *La redazione Scomodo*, reaching a diverse and engaged audience. They also hold educational seminars, art exhibitions, and pop-up shops to raise awareness and foster community involvement. These activities highlight the value of upcycled garments, teach sustainable practices, and they create a fun, interactive environment for participants.

By integrating local artists and craftspeople, these events support the local economy and enhance community cohesion.

XNOVO's Network for Circularity and Local Embeddedness

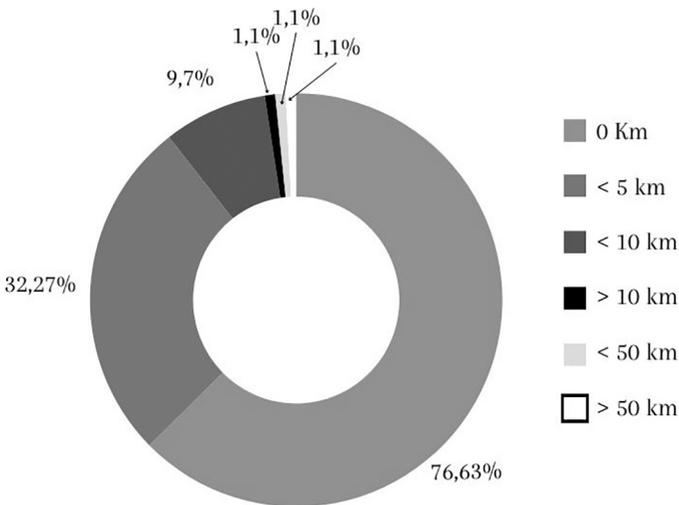
From the interviews and participant observation we collected data concerning the *XNOVO* network. *XNOVO* has established a robust network of organizations and individuals committed to reimagining the fashion industry through sustainable and circular practices. This network comprises more than 100 connections, each contributing uniquely to the project's goals. Specifically, 29% of these connections are artists who bring creative and innovative approaches to upcycling and sustainable fashion design. These artists play a crucial role in transforming second-hand materials into unique, high-quality fashion items, challenging the perception of recycled fashion. Furthermore, 33% of the network consists of associations and local public authorities. These entities provide essential support and resources, facilitating community engagement and ensuring that *XNOVO*'s initiatives align with broader social and environmental policies. Their involvement helps to strengthen the project's legitimacy and reach within the community.

Commercial activities make up 10% of the connections, indicating collaboration with local businesses that help in the practical aspects of implementing circular economy practices. These partnerships are vital for scaling up production, distribution, and retail operations in a sustainable manner. Lastly, 28% of the network is comprised of dedicated volunteers. These individuals are deeply committed to the cause, offering their time and skills to support various aspects of the project, from organizing events to raising awareness about sustainable fashion. This diverse and dynamic network illustrates the collective effort behind *XNOVO*'s mission to revolutionize the fashion industry, fostering a community-driven approach to sustainability and circularity (see figure 2). The stakeholders and partners of *XNOVO* are mostly located in the immediate local area in the Garbatella neighborhood. *XNOVO*'s network of partners is geographically concentrated, reflecting its strong local engagement and community focus. The distribution of these connections is as follows.

The data indicates that the majority of *XNOVO*'s partners are located very close to the organization's base, with 76 partners (63% of the total) situated within the immediate vicinity (0 km). This concentration of local partners highlights *XNOVO*'s deep roots in the Garbatella community and its commitment to fostering strong local relationships. This is confirmed by the data collected by the questionnaires that show that the local embeddedness of the activity is relevant. Indeed, 83% of respondents answered that an activity carried out on a local level is important, and 43% answered that it is extremely important for the nature of *XNOVO*'s social business model. This is also confirmed by the fact that in reality, *XNOVO* members do not see a future that

goes particularly far beyond the walls of Rome. When asked 'how do you see XNOVO in a few years' time in terms of territorial expansion?', 43% of respondents still see XNOVO as a purely local business, while 37% see a national expansion, but one that is mostly in the upcycling and distribution phases. An additional 32 organizations are located within 5 km. This suggests that XNOVO's influence extends slightly beyond its immediate neighborhood, but still remains predominantly local. From the interview also emerged that the integration of skills and creativity reinforces the community spirit and the commitment of the various stakeholders into this new business model.

Figure 2: location of collaboration with respect to XNOVO (total 120 collaborations mapped)



The number of partners, which are more than 100 in total (see figure 1), decreases significantly with distance, with only 9 partners located within 10 km, and 3 partners located beyond this range. This further underscores XNOVO's engagement and community integration as critical elements of its operational strategy. XNOVO's strong local embeddedness is a key factor enabling non-monetary relationships. Being deeply rooted in the Garbatella community allows XNOVO to leverage local resources, foster close-knit collaborations and create a supportive ecosystem. The majority of XNOVO's partnerships and collaborations are non-monetary (figure 3), emphasizing reciprocity over traditional market relations. While some collaborations are paid, the involvement of volunteers and the prevalence of reciprocal arrangements highlight a community-driven approach. This model of engagement is largely a result of XNOVO's deep local embeddedness such as when volunteers

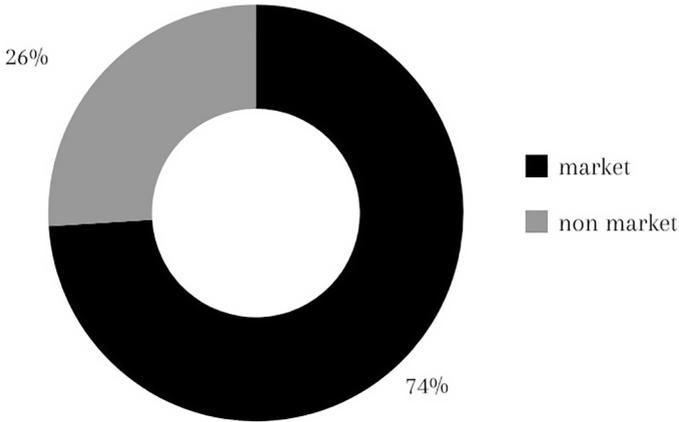
help organize repair sessions, where community members bring clothes to be repaired or upcycled, or when local artisan donate leftover materials (like fabrics or tools) to *XNOVO*, which are then creatively reused. Partners and volunteers engage with *XNOVO* in a mutually beneficial manner, such as in the case of local artists contributing their creative skills in exchange for exposure and opportunities to collaborate on innovative projects. This reciprocal exchange strengthens community bonds and builds trust. Such as, for example, workshops on upcycling fashion provided by local designers in exchange for showcasing their work in *XNOVO*'s spaces or events.

A significant portion of *XNOVO*'s network consists of volunteers who are committed to the cause of responsible and sustainable fashion. Their involvement is driven by a desire to make a positive impact, learn new skills, and be part of a transformative initiative. Volunteers play a crucial role in the day-to-day operations and special events, adding immense value without direct monetary compensation. For example, they look for clothes to be recovered, participate in the sale, get involved in the organisation of events, looking for locations, attending, and managing public relations. *XNOVO*'s presence and active involvement in local events and initiatives help build not only a robust network of like-minded individuals and organizations but also a territorial responsible ecosystem. *CTR* goes beyond corporate social responsibility (CSR) by actively involving stakeholders in decision-making, building collaborative networks, and prioritizing local investments. Through these efforts, *XNOVO* and local actors create cycles of mutual benefit that support both communities and organizations. This engagement encourages a culture of giving and reciprocity, where contributions to the community are valued and rewarded in non-monetary ways. *XNOVO*'s approach to partnerships, characterized by non-monetary relationships and a focus on reciprocity, is a testament to its strong local embeddedness. This strategy not only supports the organization's mission of promoting sustainability and circularity in fashion but also enhances community cohesion and resilience. By prioritizing mutual support over market relations, *XNOVO* can cultivate a vibrant and collaborative ecosystem that benefits all stakeholders involved.

Artists and local craftspeople are at the heart of *XNOVO*'s upcycling process. These individuals, who often reside in Garbatella, bring unique perspectives and creative skills to the project. Each artist is selected based on their expertise and personal style, ensuring a diverse range of designs and products. *XNOVO* reaches out to these artists through local art networks, community events and word-of-mouth recommendations. By incorporating their artistic vision, every upcycled garment becomes a one-of-a-kind piece, reflecting the artist's personal interpretation of fashion and sustainability. Furthermore, a key element of this network is the exchange of know-how between generations. Older women of Garbatella learned sewing skills in school and are a valuable source of teaching and advice. This knowledge, passed

down through time, enriches *XNOVO*'s craft techniques, creating a bridge between tradition and innovation.

Figure 3: typology of *XNOVO*'s relations



Discussion

Our analysis shows the strategy used by *XNOVO* and its pivotal role to trigger a process that involves different actors at the local level, namely the territory. Through its purpose-driven approach, *XNOVO* seeks to positively impact the community by blending sustainability with artistic innovation, fostering practices that are deeply rooted in the unique characteristics of its local context. *XNOVO*'s approach to circularity is based on three main pillars, which are interconnected but may face limitations. First, *XNOVO*'s practices aim to “close, slow, intensify, and narrow resource loops”¹. While this represents a structured approach to circularity, the real impact of these practices on reducing environmental impact may vary based on the scale and reach of the organization. Second, *XNOVO* focuses heavily on local multi-stakeholder engagement, emphasising community revitalisation and innovation. This engagement operates on multiple levels of exchange, intertwining reciprocity with other economic and social logics. Reciprocity forms the backbone of many of *XNOVO*'s partnerships and collaborations, where resources, skills, and knowledge are shared in ways that foster mutual benefit without always relying on monetary compensation. For example, local artists and designers contribute their creative expertise in exchange for exposure and opportunities to collaborate

1 From the interview with Lorenzo Pizzo, one of the founders.

on innovative projects, strengthening social bonds and building trust within the community. Similarly, volunteers engage in activities not for financial gain but for the shared satisfaction of contributing to a purpose-driven initiative that aligns with their values. At the same time, *XNOVO* incorporates market-based exchanges and redistributive logics within its ecosystem. While some partnerships are monetised, they are guided by the principles of fairness and local economic sustainability rather than maximising profit. This ensures that local suppliers, artisans, and collaborators receive fair compensation for their work, reflecting the values of ethical commerce. Finally, *XNOVO* seeks to reshape consumer perceptions of second-hand clothing by collaborating with local artists to produce upcycled garments as shown in figure 1.

These territorial processes activate social relations, organize territorial resources and bring people together to create innovative and collective processes. This involves not only inter-company relationships but also engagement with all territorial players, especially the local population. Companies play a major role, yet a diverse range of actors, including public authorities, associations and individual volunteers are crucial. However, this local focus raises questions about the replicability of its model beyond its immediate context. Firstly, Garbatella's strong community ties and vibrant social networks create an environment that is both receptive and supportive of collaborative, purpose-driven projects aimed to implant alternative economic models like circular fashion. This sense of community fosters trust, which is critical for initiatives that rely on volunteer engagement and local partnerships. Many residents and local organizations are inclined toward sustainable practices and creativity, contributing to an environment that can nurture innovative projects. The neighbourhood's diverse local economy includes small businesses, artisans, and cooperatives, which align well with circular economy principles, such as resource sharing, upcycling, and local production. This embedded economy can be more adaptable to circular practices compared to areas dominated by large, global chains. Certainly, while Garbatella's local embeddedness offers a supportive environment for *XNOVO*, it also creates specific challenges that can hinder replicability in other contexts. This tight-knit, community-driven approach may not easily transfer to areas with less cohesive social networks or a less engaged local population. In other cities, the absence of these strong community bonds could make it difficult for similar initiatives to gain traction or attract the same level of commitment from residents.

The hyper-local nature of Garbatella's economy, with its focus on small-scale artisans and community businesses, supports *XNOVO*'s mission but may also limit its ability to scale. Unlike larger or more commercially viable models, a local, resource-constrained approach could struggle to reach a wider audience or generate enough revenue for sustainable growth outside the neighbourhood. This reliance on local

resources and networks could make similar initiatives vulnerable in settings where social and economic conditions are less favourable.

Among other things, while relying on non-market resources emphasises the alternative nature of this experiment to the market, it also raises doubts about its sustainability. Most of the activities are subsidised by volunteers, while the traders associated with the project need to operate outside the local circuit to ensure their survival. Finally, the artists participate in various projects, but these cannot be their only source of income.

Conclusion

XNOVO's model highlights the transformative potential of integrating circular economy principles with deep community engagement, offering a pathway for more sustainable and socially rooted approaches to fashion. In the Anthropocene, territories have become critical in reshaping societal systems, serving as living ecosystems where human and natural resources converge. They appear to be the anchor for strong circular economy strategies, and the key to 'making territory' through solidarity-based solutions and innovation. Corporate Territorial Responsibility thus makes it possible to clarify the co-construction processes. *XNOVO* demonstrates the value of anchoring economic activities in a specific locale, leveraging the unique needs and strengths of its territory to foster short supply chains, promote responsible consumption, and rebuild the social connections often eroded in globalised, depersonalised economic systems. However, as Berkowitz et al. (2024) suggest, the concept of scaling up should be critically examined, particularly when applied to locally embedded models like *XNOVO*. Scaling such initiatives involves inherent tensions, as replicating a model designed for a specific territorial and cultural context may dilute the very characteristics that make it effective [see Sark and Gotthardsen's as well as Boça-Moisin and Winkler's chapter in this volume]. The positive impacts of expanding these models—such as broader environmental benefits and social inclusion—must be weighed against potential negative effects, including the loss of community identity and the challenges of adapting to diverse local conditions.

Our analysis identifies several key factors from the *XNOVO* experience that are essential for enabling similar initiatives in other cities and regions. These include cultivating strong community relationships, fostering local pride, and creating an enabling environment through public spaces, participatory urban planning, and local events. Cities could foster this by encouraging public spaces, local events, and citizen involvement in urban planning. Yet, the scalability of strong circular economy models remains constrained by structural challenges. Scaling requires significant investments in repair and reuse infrastructure, legislative frameworks that incentivize sustainability, and a cultural shift toward valuing durability, repairability,

and shared ownership over fast consumption. To support such transitions, physical spaces and networks dedicated to local production, repair, and creative reuse—such as makerspaces, co-working hubs, and community workshops—play a pivotal role. Additionally, local governments and policymakers must align their strategies to nurture these ecosystems, offering grants, tax incentives, and supportive regulations that promote circularity and social entrepreneurship [see McRobbie's chapter in this volume]. Ultimately, XNOVO's model offers a glimpse into what a more localized, sustainable fashion industry could look like, but it also serves as a reminder of the broader systemic changes required to make such models viable on a larger scale. By combining grassroots innovation with policy support and shifts in consumer behaviour, the fashion industry has the potential to transform into a force for environmental and social regeneration. However, this transformation demands a collaborative effort that respects the unique characteristics of each territory while addressing the global challenges of the Anthropocene with nuance and care.

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