

Uneven paths to circularity: How fragile institutions and social divides shape consumer power in the Western Balkans

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ABSTRACT

This paper conducts a structured literature review on how governance quality, inequality, and consumer empowerment influence the circular economy (CE) transition in the Western Balkans. Despite increasing policy focus, the region faces persistent institutional weaknesses, socio-economic disparities, and limited consumer trust, which undermine the feasibility of CE reforms. Using PRISMA 2020 guidelines, 1,214 records were screened and 142 studies (2000-2025) were synthesized across academic and institutional sources. Three main insights emerge. First, governance capacity, especially enforcement, market surveillance, and institutional coordination, largely determines whether CE legislation is translated into practice. Although alignment with European Union norms has progressed, implementation remains uneven and resource constrained. Second, inequality restricts participation: income barriers, rural-urban divides, energy poverty, and informational deficits often prevent households from engaging in repair, reuse, or sustainable consumption. Third, consumer empowerment remains limited; positive environmental attitudes rarely translate into behavior due to affordability challenges, low institutional trust, weak consumer-rights enforcement, and scarce repair or information services. Overall, CE transitions in the region are tightly shaped by institutional and socio-economic realities. Effective pathways require stronger governance, reduced inequalities, and enhanced consumer capabilities, while future research should prioritize causal evidence, equity-oriented assessments, and micro-level behavioral insights.

Keywords: circular economy, governance, inequality

INTRODUCTION

The transition toward a circular economy (CE) has emerged as a central pillar of sustainable development strategies worldwide, aiming to decouple economic growth from resource depletion while enhancing social well-being. In regions marked by structural vulnerabilities, such as the Western Balkans (WB6), the promise of circularity extends beyond environmental efficiency. It ties directly to deeper questions of governance quality, inequality, and the capacity of consumers to actively participate in sustainable production and consumption systems.

As transition economies with legacies of institutional fragility, market volatility, and persistent social disparities, the WB6 offer a distinctive empirical context for understanding how circular growth can be aligned with fair and inclusive development pathways. In these economies, the success of circular transitions is contingent not only on technological investments or regulatory frameworks, but also on the empowerment of consumers, both as market participants and as agents of change. Consumer empowerment

encompasses access to clear information, affordable options, legal protection, and meaningful participation in decision-making processes related to resource use, waste management, and sustainable consumption (Dionizi et al., 2025; Drishti et al., 2025). Yet, in societies where inequality remains pronounced, consumer capabilities are distributed unevenly. Lower-income households face affordability barriers for CE-aligned goods and services, limited awareness perpetuates linear consumption habits, and weak enforcement of consumer rights constrains trust in circular markets (Figge et al., 2023; Geissdoerfer et al., 2017).

Equally significant is the role of governance. Across the WB6, uneven institutional performance, ranging from regulatory fragmentation and limited administrative capacity to informal practices and low rule-of-law indicators, directly shape the feasibility of CE reforms (Kirchherr et al., 2017). Governance determines whether CE policies translate into practice, whether producers comply with environmental standards, and whether consumers are adequately protected and informed. In this sense, governance failures do not merely slow circular transition; they risk reinforcing pre-existing

inequalities and excluding vulnerable groups from the benefits of green transformation (Kirchherr et al., 2017).

Despite these dynamics, existing literature largely treats CE transitions, inequality, and governance as separate domains. Studies on the WB6 have advanced knowledge on environmental performance, institutional reforms, and socio-economic inequality, but only a limited body of research systematically examines how these dimensions interact, and even fewer adopt a consumer-centered perspective (Radovanovic & Carapina, 2024). This gap is particularly noteworthy because consumer behavior and empowerment are crucial for fostering circular demand, ensuring social equity in CE policies, and legitimizing governance reforms. The absence of an integrated perspective has resulted in fragmented evidence and limited policy guidance on how to design circular transitions that are not only efficient but also socially just (OECD, 2024; World Bank, 2025).

To sharpen the analytical focus of this review, the study is guided by three research questions (RQs):

- RQ1.** How does governance quality affect the implementation and outcomes of CE policies in the WB6?
- RQ2.** In what ways does socio-economic inequality constrain or mediate consumer participation in circular practices?
- RQ3.** Through which institutional and behavioral mechanisms does consumer empowerment influence circular-economy outcomes in post-transition contexts?

RESEARCH METHODOLOGY

This structured literature review responds to these gaps by synthesizing how governance quality, inequality dynamics, and consumer empowerment jointly influence CE development across the WB6. Drawing on 1,214 records screened and 142 studies included (2000-2025), this review follows PRISMA standards to build a comprehensive analytical framework linking circular growth to the institutional and socio-economic conditions that shape consumer capabilities (Aguinis et al., 2020; Snyder, 2019; Tranfield et al., 2003). In doing so, it situates circular transitions within broader debates on social inclusion, state capacity, and the political economy of sustainability in post-transition contexts (Page et al., 2021).

By focusing on the intersection of governance, inequality, and consumer rights, this review contributes three key insights. First, it shows that governance, capacity, particularly regulatory enforcement, transparency, and coordination, influence both producer behavior and consumer trust in CE markets. Second, it demonstrates that inequality constitutes a structural barrier to consumers' ability to participate in and benefit from circular practices. Third, it highlights that empowering consumers is not merely a technical or behavioral challenge but a fundamentally institutional one: rights and information must be matched with accessible, affordable, and trustworthy circular alternatives.

Taken together, these insights underscore that a fair and effective circular transition in the WB6 requires more than

environmental commitment, it demands governance reforms, reductions in socio-economic disparities, and the strengthening of consumer capabilities and protections. This review offers an integrated foundation for policymakers, scholars, and practitioners seeking to design CE pathways that are environmentally sustainable, economically viable, and socially equitable.

Identification of Relevant Literature

The identification stage involved a comprehensive and methodologically rigorous search for academic and policy literature published between 2000 and 2025. This period was selected because it coincides with the emergence of CE concepts in global sustainability debates as well as the deepening of European Union (EU) integration processes in the WB6.

Searches were carried out across major academic databases, such as Scopus, Web of Science, ScienceDirect, JSTOR, Wiley Online Library, and SpringerLink, ensuring broad disciplinary coverage. To complement these, targeted searches were performed in Google Scholar and in institutional repositories including those of the European Commission, OECD, UNEP, UNDP, and the World Bank, which are especially relevant due to the strong policy-driven nature of circular and green transition agendas in the WB6 (European Commission, 2020).

A carefully designed set of search strings combining keywords related to the CE, governance quality, consumer behavior, inequality, and sustainability transitions guided the search process (Boell & Cecez-Kecmanovic, 2014). Combining these terms through Boolean operators enabled the retrieval of studies that spanned both conceptual and empirical dimensions. This broad search yielded a total of 1,214 records, forming the basis for the subsequent screening phase.

Screening Process

The initial dataset was cleaned of duplicate records using reference management tools and manual checks. The remaining titles and abstracts were then screened to determine their relevance. During this stage, the review focused on identifying studies that explicitly engaged with at least one of the thematic pillars, governance, inequality, consumer empowerment, or CE frameworks, as applied to the WB6 or comparable transition economies. Studies that dealt exclusively with technical engineering aspects of recycling processes, waste management technologies, or unrelated environmental modelling were excluded, as they did not contribute to the social, institutional, and consumer-oriented focus of this review (Markard et al., 2012; Murray et al., 2017; Thøgersen, 2005).

The screening process resulted in a refined collection of 563 records deemed potentially suitable for full-text assessment. This transition from initial retrieval to focused screening ensured that the review remained aligned with its central objective: to understand the interplay between institutional structures, socio-economic disparities, and consumer capabilities in fostering or hindering circular growth (Braun & Clarke 2006; Petticrew & Roberts, 2006; Sassanelli, 2019).

The full-text eligibility stage involved a detailed qualitative examination of each study. To ensure conceptual and contextual relevance, the review included works that either analyzed one or more of WB6 economies or offered transferable insights applicable to post-socialist, EU-accession, or transition contexts. Particular attention was given to studies that addressed institutional quality, governance failures, social inclusion, consumer behavior, behavioral economics, sustainable consumption, and the distributional impacts of environmental policies.

The methodological scope was kept intentionally broad to capture the diversity of approaches in this emerging field. Qualitative case studies, quantitative econometric analyses, mixed-method assessments, conceptual papers, and policy evaluations were all considered eligible, provided they contributed to understanding the interconnections at the heart of this review. Conversely, studies lacking methodological transparency, or those focusing exclusively on technical or industrial dimensions of the CE without social or governance implications, were excluded. Following careful appraisal, 142 studies were retained for in-depth synthesis.

Analytical Framework and Synthesis Approach

Once the corpus of eligible studies was finalized, a structured data extraction process was applied. Each study was read in detail, and key information was systematically recorded in a coding template. This included publication characteristics, methodological approaches, country coverage, and the dimensions of governance, inequality, and consumer behavior examined. Special emphasis was placed on how each study conceptualized consumer empowerment, whether in terms of information access, affordability, behavioral incentives, legal protection, or participation in decision-making processes and how these dimensions interacted with institutional capacity and socio-economic disparities.

This coding process made it possible to trace recurring patterns, identify inconsistencies, and discern underexplored areas in literature. It provided empirical and conceptual scaffolding for the thematic synthesis that followed.

The analysis relied on a thematic synthesis approach inspired by Thomas and Harden (2008), which is well suited for integrating heterogeneous bodies of research. Codes generated during data extraction were gradually aggregated into broader thematic categories. These themes reflected core conceptual linkages, for instance, how governance capacity shapes the implementation of circular policies, how inequalities limit the feasibility of circular participation for low-income households, or how trust in institutions affects the public's willingness to engage in repair, reuse, or prosumer practices (Figge et al., 2020).

Through this iterative process, an integrated analytical framework emerged that maps the interactions between governance failures, socio-economic constraints, consumer capabilities, and CE outcomes in the WB6. Rather than treating these dimensions separately, the synthesis reveals how each reinforces or constrains the others, providing a holistic understanding of the region's transition pathways (Lorek & Fuchs, 2013).

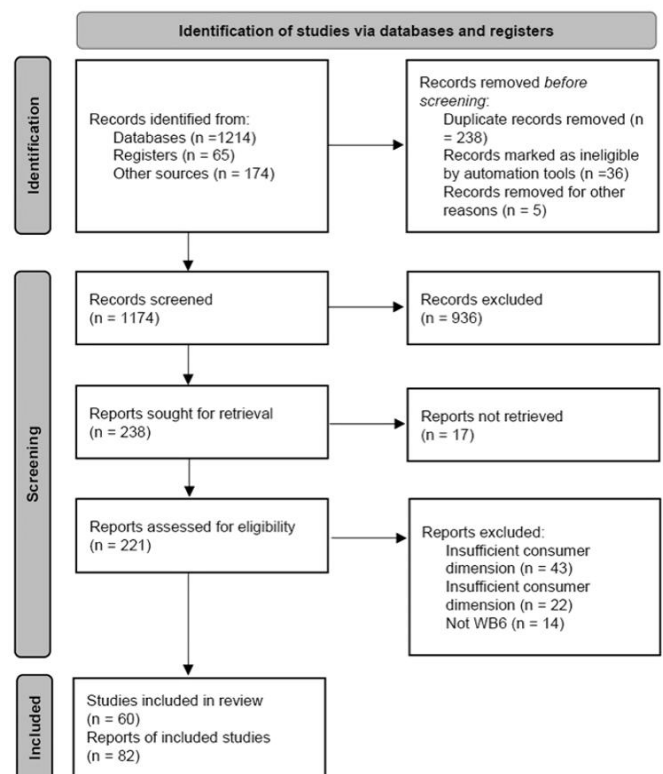


Figure 1. PRISMA flow diagram (Source: Authors' own elaboration, based on PRISMA 2020 guidelines available from: Page et al., 2021)

To ensure the reliability and analytical value of the included literature, each study underwent a quality appraisal focusing on methodological rigor, conceptual clarity, data robustness, and policy relevance. Peer-reviewed academic articles typically demonstrated strong methodological foundations, while high-quality reports from international organizations were included when they offered region-specific data, sectoral insights, or policy evaluations unavailable in academic sources (Steg & Vlek, 2009).

The appraisal highlighted the uneven development of CE research across the WB6, with some countries and sectors significantly better studied than others, yet the overall corpus was deemed sufficiently robust to support meaningful synthesis.

Figure 1 presents the PRISMA 2020 flow diagram, which visually summarizes the systematic procedure employed to identify, screen, assess, and include studies in this structured literature review. The diagram illustrates the transparency and methodological rigor underpinning the review process and demonstrates how the initial body of evidence was progressively refined into a coherent and analytically relevant sample.

Figure 1 summarizes the systematic identification, screening, eligibility, and inclusion stages following PRISMA 2020 guidelines. The diagram enhances transparency by documenting how 1,214 records were progressively refined into a final corpus of 142 studies included in the qualitative synthesis.

RESULTS

A fragmented but steadily growing body of research on how consumer empowerment, inequality, and governance quality influence circular transitions in the WB6 and similar transition economies may be found in the final corpus of 142 publications. The literature is organized thematically along four major axes:

- (1) institutional quality and governance capacity for CE reforms,
- (2) vulnerability and socioeconomic inequality,
- (3) consumer behavior and empowerment tools, and
- (4) evidence specific to the WB6.

Governance, Institutional Quality, and Circular Outcomes

A first and dominant strand of literature emphasizes that governance quality is a necessary, though not sufficient, condition for effective circular transitions. Studies drawing on the Worldwide Governance Indicators, EU progress reports, and national assessments consistently show that countries with higher regulatory quality, stronger rule of law, and more predictable enforcement tend to achieve better performance in waste management, recycling rates, and the implementation of extended producer responsibility (EPR) schemes (Kalaj & Golemi, 2019; Kirchherr et al., 2017; Sassanelli et al., 2019). In these contexts, circularity is not treated as a stand-alone environmental agenda but is embedded in broader state-capacity and public-administration reforms.

In the WB6, however, literature documents persistent gaps between the formal transposition of EU directives and their practical enforcement. Several contributions note that legal approximation to the EU *acquis* on waste, consumer protection, and product safety has advanced rapidly, yet inspection services, environmental agencies, consumer-protection authorities, and courts remain understaffed and under-resourced (OECD, 2024; World Bank, 2023, 2025). This leads to a pattern that Kirchherr et al. (2023) describe as “circular disruption without consolidation”: ambitious strategies and action plans exist on paper, but implementation is episodic and often donor driven.

A recurrent finding is that governance fragmentation, across central ministries, agencies, and municipal authorities, produces overlapping mandates and diluted accountability. In multi-level systems, such as Bosnia and Herzegovina or Serbia, responsibilities for waste management, public services, and consumer protection are dispersed across entities and local governments, complicating coordination and data collection. As a result, producer responsibility organizations operate under uneven oversight, and local governments struggle to integrate circular principles into public procurement and service contracting.

The literature also highlights the critical role of market surveillance and product-safety systems (e.g., safety gate/RAPEX alerts) as an interface between environmental regulation and consumer protection (European Commission, 2020). Where surveillance is credible and sanctions are enforced, firms have stronger incentives to provide safer,

longer lasting, and repairable products. Conversely, weak surveillance allows low-quality and non-compliant goods to circulate, undermining both consumer trust and circular objectives such as durability and reparability.

The reviewed literature suggests a hypothesized causal pathway: weak enforcement and fragmented oversight reduce producer compliance and allow low-quality products to circulate; this erodes consumer trust; diminished trust lowers willingness to invest in durable or repairable goods; and ultimately circular-market demand remains weak. While few studies test this chain empirically in the WB6, the mechanism is consistently inferred across governance and consumer-behavior research.

Inequality, Vulnerability, and the Social Limits of Circular Participation

A second body of work examines how socio-economic inequality and vulnerability constrain the ability of households to participate in circular practices. Studies on the WB6 and comparable economies suggest that income inequality, precarious labor markets, and energy poverty create structural barriers to the adoption of “green” products and services (Drishti et al., 2025; Kalaj, 2015; Kola & Çerpja, 2023). For low-income consumers, budget constraints make the higher upfront costs of efficient appliances, eco-labelled products, or repair services difficult to bear, even when these options are cost-effective in the long run.

Several contributions point out that affordability and liquidity constraints interact with informational barriers: households may recognize environmental benefits but prioritize short-term price considerations due to income insecurity and limited access to credit (Figge et al., 2020). This is particularly salient in the WB6, where informal employment, remittance-dependence, and volatile prices intensify risk aversion and discourage long-term investments in efficiency or durability (Drishti et al., 2021; Kalaj & Golemi, 2024).

The literature also shows that inequality is multi-dimensional. Geographic disparities between capital cities and peripheral regions, and between urban and rural communities, are frequently cited. Rural households often face higher transport costs and weaker access to collection points, repair services, or second-hand markets, making their effective opportunity set for circular behavior much narrower than that of urban consumers. Vulnerable groups, including Roma communities and low-income households in informal settlements, are under-represented in most datasets, yet case studies suggest that they are both disproportionately exposed to environmental risks and least able to benefit from emerging circular opportunities.

From a justice perspective, the review highlights an important tension: while circular policies (such as EPR or carbon pricing) seek to internalize environmental costs, they can be regressive if fee structures and price pass-through are not carefully designed (Murray et al., 2017). Only a handful of studies explicitly analyze the distributional incidence of circular policy instruments, and even fewer provide empirical estimates for the WB6. This represents a major research gap.

Informal repair and second-hand markets represent a paradoxical dimension of circularity in the WB6. While

informal reuse practices reduce waste and extend product lifespans, their operation outside formal regulatory frameworks raises concerns regarding product safety, taxation, and labor protection. Rather than replacing informal systems, policy design may need to integrate and formalize them incrementally, leveraging existing cultural practices of repair while strengthening consumer safeguards.

Consumer Behavior, Empowerment, and Trust

A third, rapidly growing strand of the literature focuses on consumer behavior, empowerment, and the micro-foundations of circular demand. Building on behavioral economics and environmental psychology, these studies explore how information, social norms, default options, and trust in institutions influence willingness to repair, reuse, or recycle (Steg & Vlek, 2009; Thøgersen, 2005).

For the WB6, evidence remains limited but suggestive. Survey-based studies, including those on behavioral readiness for CE in Albania (Dionizi et al., 2025; The Balkan Forum, 2018), indicate that consumers express relatively high levels of environmental concern and positive attitudes toward recycling and reuse, yet actual behavior lags intentions. The main obstacles identified are

- lack of convenient infrastructure (e.g., sparse collection points and absence of repair cafés),
- perceived lack of trustworthy information on product quality and environmental claims,
- financial constraints, and
- low confidence that individual actions make a meaningful difference.

These findings resonate with broader European evidence which shows that consumer policy can empower sustainable lifestyles only when information, rights, and convenience are aligned (Geissdoerfer et al., 2017; Ignjatović et al., 2024; Thøgersen, 2005). Merely providing information or labels tends to have short-lived effects unless accompanied by economic incentives and infrastructural support.

The literature on consumer-rights instruments, such as alternative dispute resolution, collective redress, green-claims regulation, and right-to-repair, remains sparse in the WB6. International reports underline that many of these mechanisms exist in legislation but are weakly institutionalized and rarely used in disputes related to environmental or circular issues (OECD, 2024; Regional Cooperation Council, 2024). Where consumer-protection agencies or ombuds institutions are active, case studies suggest they can enhance trust and encourage consumers to demand higher product standards, durability, and service quality. However, quantitative evaluations of their impact on circular outcomes are virtually absent.

An emerging topic is the role of digital platforms for second-hand trading, sharing services, and repair networks. While general e-commerce and digital adoption have expanded across the region, evidence from Albania shows that enterprise digitalization accelerated during the COVID-19 pandemic and contributed to improved business resilience and online engagement (Kalaj & Barbullushi, 2023), suggesting that stronger digital ecosystems may also facilitate the

development of circular marketplaces. Nevertheless, only a nascent literature examines how platform governance, data protection, and trust in online transactions mediate circular behaviors.

Western Balkans-Specific Evidence and Transferability

Although the review deliberately includes comparative studies from Central and Eastern Europe and other transition economies, there is a clear geographical imbalance in the evidence base. Most empirical work on CE and consumer policy focuses on EU-15 and larger member states. For the WB6, literature is dominated by

- (1) national or municipal case studies on waste management and recycling infrastructure,
- (2) macro-level assessments of environmental performance and green transition readiness (Radovanovic & Carapina, 2024; Streimikiene et al., 2023; World Bank, 2023), and
- (3) a small but growing number of consumer surveys and behavioral studies (Dionizi et al., 2025; Pineiro-Villaverde et al., 2020).

Comparative studies indicate that WB6 economies tend to lag behind EU averages in circular material use, WEEE collection, and eco-innovation, while also exhibiting lower scores on governance quality and higher income inequality (European Environment Agency, 2022; OECD, 2024; World Bank, 2024). However, very few analyses explicitly connect these three dimensions in a unified empirical model.

The transferability of findings from EU member states to the WB6 is therefore not automatic. Contextual differences in state capacity, informality, political trust, and social norms mean that instruments proven effective in high-capacity settings, such as sophisticated eco-labelling schemes or complex product-passport systems—may require substantial adaptation to local conditions. Several authors caution against uncritical policy transfer and argue for incremental, context-sensitive approaches that build existing practices and informal repair/reuse cultures rather than replacing them entirely (Lorek & Fuchs, 2013; Markard et al., 2012).

DISCUSSION

This review contributes theoretically by situating CE transitions within a broader political-economy and institutional framework (Figure 2).

Drawing on institutional economics, circular reforms can be understood as collective-action problems shaped by enforcement capacity, credibility of rules, and distributional incentives. From a capability-based perspective (Sen, 1999), consumer empowerment is not merely access to information but the substantive freedom to choose sustainable options. Where income constraints, weak legal enforcement, or infrastructural gaps restrict real opportunities, formal rights do not translate into effective agency. Thus, circular transitions in the WB6 are embedded in deeper questions of institutional trust, state capacity, and distributive justice.

Table 1 provides a concise overview of the governance and inequality landscape across the WB6, synthesizing the most

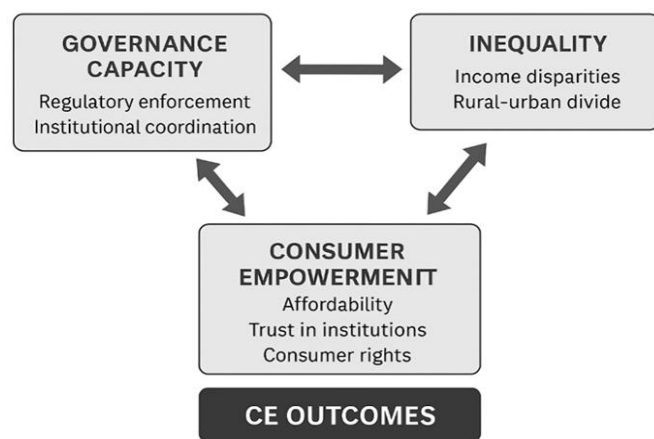


Figure 2. Conceptual framework of the CE outcomes (Source: Authors' own elaboration, based on the literature review synthesis)

recurrent institutional and socio-economic patterns identified in the literature. As shown in the review, all six economies share structural challenges, limited administrative capacity, uneven enforcement, regional disparities, and persistent vulnerability, that shape the feasibility of circular-economy reforms. By summarizing these conditions side by side, **Table 1** highlights both the common constraints and the country-specific differences that underpin the region's diverse transition trajectories.

On the other side, **Table 2** complements the previous snapshot by shifting the focus to consumers' behavioral readiness and the overall circular-economy maturity of each WB6 country. While environmental awareness is generally high across the region, the literature shows that actual

engagement in reuse, repair, and sustainable consumption remains limited due to affordability barriers, low institutional trust, and infrastructural gaps. **Table 2** therefore summarizes how these behavioral and structural factors jointly influence each country's progress toward a functioning CE.

Taken together, **Table 1** and **Table 2** show that circular-economy transitions in the WB6 are shaped by a consistent regional pattern: constrained governance capacity, persistent social inequalities, and limited consumer empowerment act as mutually reinforcing barriers across all six economies. While each country exhibits its own mix of institutional strengths and behavioral challenges, the combined snapshots clearly illustrate that meaningful progress requires simultaneous improvements in governance quality, equity, and consumer capabilities.

While structural constraints are shared regionally, differences in institutional consolidation explain variation in readiness. For instance, Serbia's comparatively stronger administrative infrastructure has facilitated scaling of certain CE initiatives, yet enforcement volatility undermines continuity. Montenegro's advanced regulatory alignment contrasts with limited administrative scale, constraining implementation depth. In Bosnia and Herzegovina, institutional fragmentation across entities creates coordination failures that impede policy coherence. These contrasts suggest that circular readiness correlates less with formal alignment and more with enforcement credibility and institutional coherence.

The synthesis reveals a reinforcing triad: fragile institutions limit enforcement, inequality constrains effective consumer agency, and weak consumer trust undermines circular-market consolidation. Rather than isolated barriers,

Table 1. Governance and inequality snapshot for WB6

Country	Governance capacity	Inequality & social constraints
Albania	Moderate progress on EU alignment, weak enforcement and market surveillance, fragmented institutional coordination	High income inequality, strong rural-urban divides, energy poverty affects adoption of CE practices
Bosnia & Herzegovina	Highly fragmented governance (state-entity-cantonal levels), inconsistent enforcement, data gaps	Deep regional disparities, vulnerable groups underrepresented in surveys, affordability barriers
Kosovo	Limited administrative capacity, evolving legal framework, dependence on donor-funded environmental programs	Youth unemployment and income volatility constrain green purchasing, rural access challenges
Montenegro	More advanced regulatory alignment but small administrative structures limit enforcement capacity	Energy poverty and high living costs limit consumer choices, tourism creates seasonal waste pressures
North Macedonia	Moderate progress on regulatory alignment, challenges in inspection capacity and inter-agency coordination	Urban poverty pockets and regional inequality affect CE participation, informal settlements overlooked
Serbia	Stronger institutional structures relative to region, however, enforcement inconsistencies and political volatility affect continuity	Notable income inequality, peri-urban and rural areas face infrastructure and affordability gaps

Table 2. CE synthesis for WB6

Country	Consumer empowerment & behavior	CE readiness/challenges
Albania	Positive environmental attitudes but low trust, limited repair services and collection points	Early-stage CE development, donor-driven pilots, implementation gap persists
Bosnia & Herzegovina	Behavior constrained by infrastructural gaps and low institutional trust	CE progress is uneven, coordination weaknesses limit scaling of CE policies
Kosovo	Environmental concern high, behavioral adoption are low, limited consumer-rights enforcement	CE transition at a very early stage, waste systems underdeveloped
Montenegro	Growing interest in reuse and recycling, still limited CE-related consumer infrastructures	Some progress in waste management, circular innovation remains nascent
North Macedonia	Consumer surveys show interest but practicality barriers remain	CE strategies exist but implementation capacity insufficient
Serbia	High uptake of digital platforms but limited use for circular practices (repair/second-hand)	Some CE initiatives are scaling, but material-use indicators remain low

these factors form a systemic equilibrium that stabilizes linear economic patterns. Breaking this equilibrium requires coordinated reform across governance, redistribution, and consumer policy domains. Incremental improvements in only one dimension are unlikely to produce durable circular outcomes.

CONCLUSIONS

This structured literature review examined the intertwined roles of governance capacity, inequality dynamics, and consumer empowerment in shaping CE transitions in the WB6. The synthesis of 142 studies showed that circular transformation in the region is not simply a technological or environmental reform, but a deeply institutional and socio-economic process. The review demonstrates that first governance quality determines whether CE strategies move from policy to practice; second inequality fundamentally shapes consumers' capacity to participate in and benefit from circular models; and third consumer empowerment, through rights, trust, information, affordability, and institutional support, is an essential but underdeveloped component of regional CE pathways.

The WB6 face a recurrent pattern: rapid formal alignment with EU circular and consumer-protection norms, but uneven enforcement and implementation in practice. Weak institutional coordination, limited administrative capacity, and low market surveillance undermine producer compliance and erode consumer trust. At the same time, socio-economic inequalities, income gaps, rural-urban divides, energy poverty, and informational asymmetries, restrict the feasibility of circular participation for large segments of the population. Without targeted affordability measures and inclusive policy design, circular reforms risk reproducing or exacerbating social disparities.

The review also shows that consumers in the region generally express pro-environmental attitudes, but their behavior is constrained by structural conditions: lack of convenient repair options, insufficient product transparency, fear of low-quality imports, and weak enforcement of consumer rights. Effective circular transitions, therefore, require mutually reinforcing reforms: strengthening institutions, reducing inequalities, and equipping consumers with real, not only legal, but capabilities also to adopt circular practices.

Although this review followed a systematic and rigorous process, several limitations must be acknowledged. The available literature on the WB6 is uneven, some countries and sectors are well documented, while others offer only fragmented evidence. Much of the existing work remains descriptive, relying on case studies or policy reports rather than robust empirical methods. This means that causal relationships between governance capacity, inequality, and consumer empowerment cannot yet be firmly established. In addition, the scarcity of consumer-level data, especially on repair behavior, affordability constraints, or trust in institutions, limits deeper insights. The review also draws primarily from English-language sources, which may overlook relevant studies produced in local languages.

Finally, CE policies in the region are evolving rapidly, meaning some findings may shift as new EU directives and national reforms take effect. These limitations also point to several promising directions for future research. There is a clear need for more empirical and causal studies that assess how specific policy instruments, such as right-to-repair rules, EPR schemes, eco-labels, or social tariffs, affect consumer behavior and circular outcomes. More disaggregated and equity-focused research is essential to understand how income, gender, geography, and vulnerability shape participation in circular practices.

Micro-level behavioral studies, surveys, and experiments would greatly enrich the evidence base, while deeper examination of informal repair and reuse systems could reveal important but understudied dynamics. Finally, as digital platforms and product-passport systems expand, research should explore their potential to build consumer trust and strengthen circular markets. Advancing these lines of inquiry will be crucial for designing circular transitions in the WB6 that are not only environmentally ambitious, but also socially inclusive and institutionally credible.

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AI statement: The authors stated that, during the preparation of this manuscript, the authors used generative AI tools (ChatGPT) exclusively for language refinement, clarification of phrasing, and improvement of narrative coherence. No part of the analysis, interpretation of findings, or core intellectual contribution was generated by AI. The authors further stated that all ideas, arguments, and conclusions were developed by the authors. After using AI-assisted support, the authors carefully reviewed and verified the content and took full responsibility for the final version of the manuscript.

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