

Factors A New Paradigm of Sustainability: Integrating Circular Economy, Inclusive Capitalism, and Christian Ethics

By Jaroslav Šetek¹, Jiří Alina², Tereza Bartůňková³,

ABSTRACT:

Since the early 2020s, the global community has been grappling with mounting environmental and social challenges that question the viability of traditional models of economic development and societal advancement. This paper explores four conceptual approaches: Inclusive Capitalism, Integral Ecology, Christian Social Ethics, and the Circular Economy, with the intention of fostering a new model of equitable and lasting development. It demonstrates how connecting these frameworks can enable a systemic transformation beyond sector-specific solutions, highlighting ethical responsibility, justice between generations, and active participation. The article highlights the importance of the Christian ethos and spirituality in restoring the human relationship with both nature and society, thereby suggesting one possible path toward a more just and sustainable economic order. Within this context, the Circular Economy emerges as a key instrument for restoring economic and ecological relations through the promotion of efficient resource use, waste minimization, and the strengthening of local resilience. The innovative trends of circular technologies thus become a vital pillar in the transition toward an ethically grounded and environmentally sustainable future.

Keywords: circular economy, sustainable development, inclusive capitalism, integral ecology, responsible investments

1. Introduction

As the global community navigates the complexities of the third decade of the 21st century, it faces a confluence of crises reshaping conventional understandings of development and sustainability. Climate change, biodiversity loss, increasing socio-economic inequalities, and a growing mistrust in market mechanisms as tools of fair prosperity present complex challenges that cannot be addressed in isolation by individual sectors or states (Rockström et al., 2009; Raworth, 2017). These challenges require a systemic rethinking of the values, goals, and structures of the global economy.

In response to this situation, alternative theoretical frameworks have increasingly emerged in recent years, aiming to integrate economy, ethics, and ecology. Among the most prominent are the concepts of inclusive capitalism and integral ecology, both of which seek to bridge the gap between economic growth and socio-ecological responsibility. Inclusive capitalism underscores the necessity of a more equitable

¹Assistant Professor at the Department of Applied Economics and Economy at Faculty of Economic, University of South Bohemia in České Budějovice, Czech Republic.

²Assistant Professor at the Department of Applied Economics and Economy at Faculty of Economic, University of South Bohemia in České Budějovice, Czech Republic.

³Faculty of Economics, University of South Bohemia, Studentská 13, 370 05, České Budějovice, Czech Republic.

distribution of wealth alongside the active participation of all stakeholders in the process of value creation (Henderson, 2020). In contrast, integral ecology, as articulated by Pope Francis in his encyclical *Laudato si'*, highlights the moral and spiritual dimensions inherent in humanity's relationship with both nature and society (Pope Francis, 2015).

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Beyond Catholic social teaching, various religious traditions offer profound theological foundations for ecological ethics through their respective understandings of the human – divine – creation relationship. In Protestant theology, stewardship reflects the human responsibility to care for creation as a divine gift (DeWitt, 1991; Santmire, 2000). Judaism emphasizes *tikkun olam* - the moral imperative to repair the world within a covenantal framework (Schwartz, 2002). Islam upholds the concept of *khalifa*, where humans serve as God's trustees, accountable for maintaining ecological balance (*mizān*) and avoiding corruption (*fasād*) (Nasr, 1996; Foltz, 2003). In Hinduism, *dharma* and *ahimsa* underline ethical obligations toward all life and nature's sacredness (Chapple, 2000). Buddhism teaches interdependence (*pratityasamutpāda*), viewing environmental harm as a result of spiritual ignorance and craving (*tanhā*) (Kaza, 2000; Loy, 2003). These diverse traditions converge on shared values of humility, responsibility, and reverence for life, revealing sustainability as a spiritual and moral imperative embedded in global religious cosmologies (Hessel & Ruether, 2000; Pope Francis, 2015).

In this context, Christian traditions also play a significant role, having shaped ethical frameworks in Western civilization for centuries. Christianity underscores the human responsibility to act as stewards of creation (Genesis 2:15, New International Version, 2011), advocates solidarity with the poor and marginalized (Matthew 25:40, New International Version, 2011), and upholds the principle of intergenerational justice. The social doctrine of the Church, beginning with the foundational social encyclical *Rerum Novarum*, promulgated by Pope Leo XIII in 1891 (republished 2001), and extending through subsequent magisterial teachings, culminating in the encyclical *Laudato si'*, issued by Pope Francis in 2015, establishes a value-based framework for sustainable development, framing it not merely as a technical or economic concern but fundamentally as a moral imperative. The Christian anthropology, understanding the human being in relational terms with God, others, and the natural world, facilitates a holistic conception of sustainability that transcends purely utilitarian perspectives (Groody, 2013; Kopnina, 2016).

From a theoretical and practical standpoint, the notion of circularity assumes increasing importance, as it offers a systematic alternative to the prevailing linear paradigm of production and consumption. By extending the functional lifespan of materials and products within the economy, this model contributes to a substantial reduction in waste

generation and alleviates the strain placed on natural ecosystems. This approach is not only ecologically sustainable, but also economically beneficial and socially inclusive, as it creates new jobs and supports local economies.

Connecting the circular economy with the principles of inclusive capitalism, integral ecology, and Christian ethics offers the potential for a new paradigm that could better respond to the challenges of today's world. Such an approach could contribute to a deeper systemic transformation that not only mitigates the impacts of environmental crises, but also strengthens social cohesion and restores trust in a fair and sustainable economic order. The study addresses the interaction of these four conceptual frameworks, emphasizing their relevance and synergies amid the transformations seen in the early 2030s.

2. Background, Objectives and Methods

Amid the ongoing global crisis, marked by environmental, economic, and social challenges, it becomes imperative to reconceptualize interrelations among humans, nature, society, and markets. The growing need for sustainability, equitable wealth distribution, and environmental protection leads to the search for conceptual approaches that integrate these priorities into a comprehensive framework. Two prominent responses to this challenge are integral ecology and inclusive capitalism. Although they originate from different ideological foundations, integral ecology stemming from the theological-ethical thinking of Catholic social teaching, and inclusive capitalism emerging from reform efforts within the global capitalist system, both emphasize the integration of ethics, ecology, and economics (Francis, 2015; Dorr, 2016; Eccles, Klimenko, 2019; Council for Inclusive Capitalism, n.d.).

For this reason, the topic is approached through an interdisciplinary methodology, drawing from economics, sociology, global studies, philosophy, ethics, and theological or religious disciplines. The main objective of the text is to highlight the connection between ethics, economics, and ecology, and to analyze the relationship between integral ecology and inclusive capitalism, particularly in the context of implementing circular economy technologies. The analysis primarily employs methods of analysis, comparison, and synthesis.

Integral ecology, rooted in Pope Francis' encyclical *Laudato Si'* (2015), emphasizes moral responsibility, rejects anthropocentrism, and seeks harmony between humans, nature, and society. It includes ecological, social, daily, and spiritual dimensions and is grounded in theological-ethical principles (Francis, 2015; Dorr, 2016).

Inclusive capitalism, supported by institutions such as the Council for Inclusive Capitalism and companies like BlackRock and Unilever, seeks to reform the market system to make it fairer and more sustainable (BlackRock, 2020; Council for Inclusive Capitalism, n.d.; Unilever, n.d.). It emphasizes responsible business practices, fair distribution of wealth, active engagement of employees and communities, and the implementation of ESG (Environmental, Social, and Governance) principles. These principles provide a framework for assessing corporate behavior in terms of their environmental impact, employee and community relations, and the quality of management, transparency, and ethical conduct (Eccles, Klimenko; 2019).

The integration of ESG (Environmental, Social, and Governance) principles, market incentives, and stakeholder governance with circular economy practices represents a critical foundation for transitioning from a linear to a more sustainable and systemically responsible economic model. ESG metrics must be refined and specifically tailored to capture circular economy aspects. Within the environmental dimension, this involves measuring rates of recycling, material reuse, product life cycle impacts, and carbon footprint across production, distribution, consumption, and disposal stages (Kirchherr, Reike, & Hekkert, 2018). The social dimension should consider the effects of circular processes on local communities, working conditions within recycling sectors, and equitable access to resulting products and services (Geissdoerfer, Savaget, Bocken, & Hultink, 2017). Governance aspects require embedding circularity principles into corporate strategic decision-making, ensuring transparency in material flows, and systematically managing environmental responsibilities (Eccles, Ioannou, & Serafeim, 2014).

In addition to measurable indicators, economic incentives play a pivotal role. For the circular economy to be economically viable, appropriate market mechanisms must be implemented, such as tax reliefs, subsidies for recycling technologies, and preferential treatment for services that extend product lifespans (Stahel, 2016). Building stable markets for secondary raw materials through public procurement policies and regulatory frameworks favoring circular products is also essential. The “product-as-a-service” business model further incentivizes manufacturers to design products with enhanced durability, repairability, and lower environmental impacts (Lacy & Rutqvist, 2015).

The integration of stakeholder governance entails a shift from the traditional shareholder-centric model to one that includes a broader range of actors, including employees, customers, suppliers, local communities, and future generations. This necessitates participatory decision-making processes, high levels of transparency, ethical management of supply chains, and the development of long-term partnerships based on trust and shared responsibility (Freeman, Harrison, Wicks, Parmar, & de Colle, 2010). When these components are aligned with circular economy objectives, they can significantly advance the practical implementation of sustainable business models that are economically efficient, environmentally responsible, and socially equitable.

What unites both approaches is their focus on ethics, sustainability, and a critique of consumerism. However, they differ in their foundations: integral ecology is rooted in religious ethics, while inclusive capitalism is based on reformist trends within the economic system. Although distinct in origin, both perspectives represent a significant challenge and opportunity in the search for a more sustainable and just future. The comparison of these concepts and their approaches is illustrated in Table 1 below.

Table 1: Key Thematic Dimensions of Integral Ecology and Inclusive Capitalism

| Topic | Integral Ecology | Inclusive Capitalism |
|--------------|--|--|
| Core Concept | Ethical synthesis of environmental and social dimensions | Transformation of market logic for the benefit of society |
| Main Source | <i>Laudato si'</i> encyclical by Pope Francis (2015) | Council for Inclusive Capitalism (in cooperation with the Vatican), companies like BlackRock, Unilever, Salesforce |

| | | |
|------------------------|--|---|
| Key Areas | <ul style="list-style-type: none"> • Environmental ecology • Social structures • Everyday life • Cultural and spiritual ecology | <ul style="list-style-type: none"> • Broadening economic opportunities • Sustainable growth • ESG-based corporate governance • Employee and community participation |
| Ethical Stance | <ul style="list-style-type: none"> • Rejection of anthropocentrism and utilitarianism • Emphasis on moral responsibility and the common good | <ul style="list-style-type: none"> • Responsible business and fair wealth distribution |
| Differences | Based on a theological-ethical framework | Based on economic and social reform of the market system |
| Common Elements | <ul style="list-style-type: none"> • Ethical dimension of economic decision-making • Sustainability and justice • Critique of consumerist lifestyle | |

Source: own processing

The circular economy represents a dynamic intersection between inclusive capitalism and integral ecology. It does not emerge as an isolated concept but as the result of connecting two key approaches to sustainability and justice. This relationship can be effectively illustrated using a Venn diagram (Figure 1), where the overlapping circles represent the aforementioned two approaches. Their intersection symbolizes the circular economy - a model that links ecological responsibility with economic inclusion.

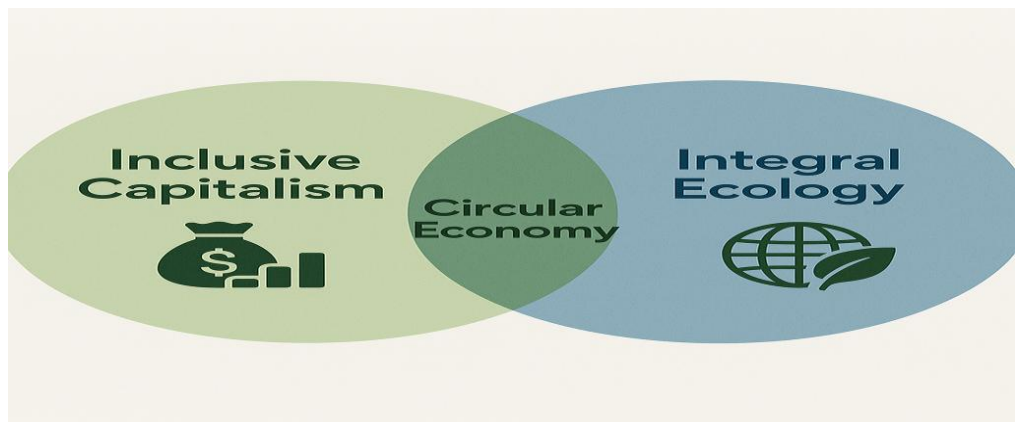


Figure 1: Circular Economy as a Bridge Between Inclusive Capitalism and Integral Ecology

Source: own processing

Inclusive capitalism seeks an economic system that is fairer, includes a broader range of stakeholders, and promotes long-term prosperity not only for investors but also for employees, communities, and the environment. In contrast, integral ecology emphasizes the profound interconnectedness between humanity and nature - not only in terms of environmental protection, but also in the context of social justice, cultural identity, and ethical values. A common element of inclusive capitalism and integral ecology is the emphasis on long-term sustainability that goes beyond mere economic efficiency. Both approaches strive for systemic changes that support the fair distribution of resources

and respect for human dignity as well as the natural environment. A shared value is also the responsibility toward future generations, which requires a balance between economic growth and the protection of ecosystems. Both concepts reflect an ethical dimension that highlights the interconnectedness of the social, economic, and ecological aspects of human activity.

3. Spiritual Roots of Ecological Responsibility: St. Francis, the Franciscan Legacy, and the Environmental Ethos in Catholic Tradition

Environmental dimension within Christianity and Catholic tradition constitutes a significant, though frequently underappreciated, spiritual approach to nature. In an era of deepening ecological crises, it is increasingly evident that solving environmental problems requires not only technical or economic tools but also a spiritual and moral foundation provided by religious traditions. Christianity possesses deep theological roots in this respect, reaching back to the biblical account of creation, where humanity is called to be the steward of the Earth rather than its ruthless master (Genesis 1:26–28; Genesis 2:15). This model of responsibility and care forms the basis of the so-called theology of creation, which is developed throughout the Christian tradition.

A unique place in the history of Christian care for nature is held by Saint Francis of Assisi, who stood out for his extraordinary sensitivity to the natural world. His spiritual vision was grounded in fraternity with all creatures, which he viewed as part of one divine family. In the renowned *Canticle of the Creatures* (*Cantico delle creature*), we encounter a poetic and theologically profound expression of faith in which Francis addresses the sun, wind, water, earth, and even death as brothers and sisters. This indicates that nature plays an active role in the praise of God, rather than serving solely as a backdrop that makes such praise possible (Armstrong, 2012). His spiritual vision represented a profound shift from an anthropocentric conception of the world toward a theocentric understanding of creation, in which every creature is perceived as possessing intrinsic value within the divine order. In acknowledgment of this theological orientation, Pope John Paul II proclaimed him the patron saint of ecology in 1979 (John Paul II, 1979).

Franciscan spirituality, as developed by the religious orders founded on Francis's legacy - such as the Order of Friars Minor and other branches of the Franciscan family - continues this ecological sensitivity today. Franciscans engage in ecological education, environmental protection, and promote the so-called ecological conversion as a component of Christian life (Delio, 2003). In the theological thinking of St. Bonaventure or Duns Scotus, nature is understood as a reflection of God's beauty and a trace of His presence in the world, strengthening the connection between faith and the protection of creation (Hayes, 2002). The Franciscan ethos is also characterized by poverty and solidarity, which relate to ecological sustainability in the sense of a lifestyle that is considerate to both nature and other people.

In addition to the Franciscans, other monastic traditions have also engaged with the ecological dimension of Christian life. The Benedictines, known for their motto *ora et labora* ("pray and work"), sought harmony between the spiritual and physical life, reflected in their self-sufficient way of life, care for land and landscape, and implementation of sustainable agricultural practices. The Cistercians excelled in their systematic approach to

landscape management, water resources, and the restoration of ecologically degraded areas in medieval Europe (Berman, 2000). These orders developed not only a spiritual but also an ecological culture in harmony with their local environment.

In modern times, and especially in recent decades, the environmental dimension of faith has once again come to the fore. Jesuit spirituality and the socio-ecological teachings of modern popes play a crucial role here. Among the most influential documents in this context is *Laudato Si'*, the 2015 encyclical promulgated by Pope Francis, offering a systematic elaboration of integral ecology understood as the interconnectedness of environmental stewardship, economic equity, and social cohesion. The encyclical builds on the Franciscan legacy not only in name but also in ethos and presents a call for a spiritual conversion toward a responsible and sustainable way of life (Francis, 2015).

Thus, the Catholic Church continues to offer a profound ethical framework for ecological reflection. The environmental spirituality rooted in the legacy of St. Francis, Franciscan theology, and other monastic traditions is being rediscovered today as an important source of motivation for environmental protection. This tradition calls for a conversion of heart, a transformation of lifestyle, and the assumption of responsibility for creation as an integral part of spiritual life. In the context of the ecological crisis, the Christian faith represents not only a moral imperative but also a source of hope and inspiration for building a more just and sustainable world.

The attitudes of Protestant churches toward social, economic, and ethical issues have undergone a significant transformation since the time of the Reformation. Their fundamental ideological foundations were laid by the reformers Martin Luther and John Calvin. Luther profoundly reshaped the traditional Christian understanding of secular vocation by emphasizing that God operates through the everyday work of human beings (Luther, 1520/2008). This approach rehabilitated ordinary labor as a space for spiritual service and highlighted the ethical imperatives of responsibility, frugality, and temperance. John Calvin further developed Protestant ethics by emphasizing the doctrine of predestination and the responsible stewardship of entrusted gifts, thereby laying the groundwork for the ethos of the responsible economic actor (Calvin, 1536/2002). His concepts of work discipline and the relationship to property contributed to the emergence of the notion of “ascetic capitalism,” whose significance for the formation of modern Western society was analyzed in depth by Max Weber (Weber, 1905/2009).

In the 20th century, Protestant churches played an important role in resisting totalitarian regimes and defending human rights. A prominent figure in this ethical engagement was the theologian and pastor Dietrich Bonhoeffer, who actively opposed the Nazi regime in Germany. His theological reflection on the ethics of responsibility became a significant contribution to Protestant thought (Bonhoeffer, 1955/2005). Parallel to these activities, ecumenical dialogue intensified, along with a more open reflection on global challenges. Since the late 20th century, Protestant churches have shown a growing interest in environmental and social ethics. This shift is reflected in the emergence of so-called “green theology,” which represents a theological response to the environmental crisis and emphasizes human responsibility for creation and the need for a sustainable way of life (Conradie, 2006).

Today, many Protestant denominations, especially in Western Europe and North America, are actively involved in public discourse on climate change, global justice,

sustainability, and ethical consumption. The Evangelical Church in Germany (EKD) and the Presbyterian Church (USA) are among those that systematically articulate their ethical positions on these issues, as evidenced by documents such as *Sustaining Creation – Sharing the World Justly* (EKD, 2009) and *Let Justice Roll Down* (Presbyterian Church USA, 2006). These texts represent contemporary applications of Protestant ethics to the complex challenges of a globalized world. However, it is important to note the internal diversity within Protestantism. While liberal and ecologically oriented strands emphasize social justice, solidarity, and environmental responsibility (Bouma-Prediger, 2010), evangelical and more conservative groups primarily stress personal faith, spiritual renewal, and missionary work. Nevertheless, even within these circles, there is a growing awareness of the importance of caring for the poor and marginalized, as well as of environmental stewardship (Hessel & Ruether, 2000). The diversity of views within Protestant churches thus reflects the plurality of theological, cultural, and social contexts in which they operate.

Alongside the Christian tradition, other world religions also offer meaningful ethical frameworks for ecological reflection. In Judaism, care for creation is grounded in concepts such as *tikkun olam* (repair or healing of the world), which call for a responsible relationship between humans and nature as part of God's creation (Schwartz, 2002). In Islam, the human being is regarded as *khalifa* (steward) of God's creation, implying a duty to protect the environment and maintain the balance between humanity and the natural world (Foltz, 2003). Both monotheistic traditions thus link environmental responsibility with religious obligation and spiritual values. Eastern religious traditions also provide noteworthy contributions: Hinduism emphasizes the unity of all living beings and the principle of *ahimsa* (non-violence), which leads to deep respect for all forms of life (Dwivedi, 1993), while Buddhism stresses interdependence and compassion as central ethical principles, which naturally extend to environmental concerns (Kabilsingh, 1990). Together, these traditions offer rich religious resources for shaping ecological spirituality and supporting sustainable development.

4. Rehabilitation of Reason through Ecology: Carson, the Club of Rome, Systems Dynamics and Catholic Reflection

Environmental issues transcend national borders and possess a global character. Their effects are especially severe in developing countries, where extreme droughts and consequent crop failures lead to famine. Climate change exacerbates conflicts over water sources and arable land, thereby destabilizing regions and triggering migration flows (IPCC, 2023). The loss of forests, marine ecosystems, and pollinators such as bees weakens food chains and threatens global food security (FAO, 2022). These phenomena can no longer be separated from economic development, social justice, and international security. The future of humanity depends on our ability to align technological progress with respect for natural limits. Ecology thus emerges not only as a scientific issue but also as an ethical and civilizational challenge calling for responsibility, solidarity, and cooperation across continents (Latour, 2017).

The global nature of the environmental crisis was powerfully highlighted by *Silent Spring* (1962), in which Rachel Carson warned against the destructive effects of synthetic pesticides. Her work marked a turning point in how the relationship between humanity

and nature is perceived. She revealed the interconnection of industrial interests, state regulation, and science, which collectively overlooked long-term ecological consequences. Despite strong resistance, her book sparked public debate that led to significant legislative changes and helped launch the modern environmental movement (Carson, 1962; Lear, 1997). Carson also offered one of the first systematic critiques of the anthropocentric and technocratic approach to nature, opening the door to more sustainable ways of coexisting with ecosystems.

Her research was continued in *The Limits to Growth* report, published by the Club of Rome in 1972 in response to growing concerns about unsustainable global development. Using system dynamics, scientists led by the Meadows team simulated global trends in population, industrialization, resource consumption, and pollution. The model's outcomes warned that without fundamental changes, continued linear economic growth could lead to systemic collapse (Meadows et al., 1972). The report was controversial, but eventually became a cornerstone of environmental policy and inspired ideas that later formed the foundation of the circular economy. This approach emphasizes efficient resource use, waste reduction, support for recycling, and the reintegration of materials into natural cycles (Geissdoerfer et al., 2017).

The intellectual continuity between Carson and the Club of Rome lies in the combination of ethical appeal and analytical framework that reveals the consequences of ignoring ecological limits. Both approaches shaped the ideological foundation of the circular economy, which seeks the regeneration of natural systems and systemic planning, linking technology with ethics. This concept is not merely a set of technical solutions but a deeper value-based worldview (Murray et al., 2017).

This critique of uncontrolled growth and a technocratic attitude toward nature is deepened in the works of critical theory authors such as Max Horkheimer and Theodor W. Adorno. They point out that reason in modern times has been transformed from a tool of liberation into an instrument of control and efficiency, disregarding ethical and environmental consequences (Horkheimer & Adorno, 2002). Nature is reduced to a resource, and humans to instruments of production and consumption. The circular economy, as conceptualized in the legacy of Carson and the Club of Rome, represents a rational framework aimed at interpreting systemic ecological complexity and delineating the thresholds of anthropogenic interference within the Earth's biophysical boundaries.

Carson's legacy, along with that of the Club of Rome, continues to influence sustainability debates. Their approach inspired efforts to create an economy that collaborates with nature rather than exploits it. At the same time, they challenge the notion that progress can be measured solely by growth and show the necessity to reassess the very foundations of civilizational development (Raworth, 2017).

In this context, the integration of education, ethics, and the concept of the circular economy becomes fundamentally important. Ethically grounded education represents a key tool for cultivating the value framework of the new generation - one that is capable of reflecting ecological limits, environmental responsibility, and principles of fair sharing of natural resources (Sterling, 2011). The circular economy, which rejects the "take – make – dispose" model, must be embedded within a broader cultural and ethical transformation that includes education for respect for nature, solidarity, and responsibility for our common home (Ellen MacArthur Foundation, 2015).

However, current educational systems often lag behind in preparing the younger generation for sustainability challenges. Despite growing interest in environmental topics, education remains frequently fragmented, technocratic, and disconnected from ethical contexts (Orr, 2004). A transition to a sustainable paradigm requires a reform of educational curricula towards interdisciplinarity and systems thinking (UNESCO, 2017). An example of an inspiring approach is the Whole Institution Approach (UNESCO, 2020), which integrates environmental education with school operations, community relations, and real-world problem-based learning. In the Czech Republic, this includes the programs of ecological centers that promote project-based learning and the participation of children and youth in concrete activities related to the circular economy, recycling, permaculture, or sustainable consumption (Stibbe & Luna, 2009). Interdisciplinary teaching - linking subjects such as biology, civics, economics, and ethics - enables young people to understand the complexity of ecological issues in broader contexts and develop the competencies needed for active citizenship in the era of climate crisis (Tilbury, 2011). Under these conditions, education can become a true catalyst for change toward a sustainable and ethically anchored society - one that transcends the logic of consumerism and technocratic rationality in favor of regenerative coexistence with nature (Kronlid & Öhman, 2013).

Simultaneously, since the 1960s, the ecological question has become increasingly present in theological and social discourse. The Catholic Church began addressing it particularly after the Second Vatican Council (1962–1965), which emphasized solidarity and responsibility toward the world. The conciliar document *Gaudium et Spes* emphasizes that humans must care for creation as a given gift (Second Vatican Council, 1965). Although the encyclical *Pacem in Terris* (1963) by Pope John XXIII does not explicitly mention ecology, it called for responsible use of science and technology for the benefit of humanity and anticipated future environmental thinking (John XXIII, 1963). It also introduced the concept of universal human rights as a foundation for just international relations. The ethical framework based on human dignity and the common good became the starting point for subsequent papal reflections (Pontifical Council for Justice and Peace, 2004).

The head of the Catholic Church during a period of profound social transformation (1963–1978), Pope Paul VI, was among the first modern popes to systematically and prophetically address what is now known as the ecological crisis. His concern for environmental protection was rooted not only in contemporary sensitivities but also in the Catholic social doctrine, which underwent a major development during his pontificate. The cornerstone of his ecological reflection was laid in the 1967 encyclical *Populorum Progressio*, where he introduced the concept of “integral development.” This concept did not limit development to economic growth or technological advancement but understood it as a process aligned with human dignity, social justice, and environmental respect (Paul VI, 1967). According to Paul VI, true progress is not one that neglects the spiritual, ethical, and environmental dimensions of human existence.

In 1971, on the occasion of the apostolic letter *Octogesima Adveniens*, Paul VI issued one of the first systematic papal warnings about the ecological crisis. He explicitly warned against environmental degradation due to unregulated technocratic development lacking moral guidance. He stated, “Man is suddenly becoming a threat to himself,” highlighting

the imbalance between technical progress and moral development and the danger of alienation from both nature and the meaning of life (Paul VI, 1971). He emphasized that the ecological crisis is not merely a physical problem of the planet but a deeply spiritual and ethical problem of human civilization. His stance laid the foundation for systematic Catholic environmental ethics, which has since become an integral part of the Church's social teaching. His appeals were not just political or scientific warnings and came from a deep belief that humans are stewards of creation, not its rulers. This theological anthropology provides the foundation for a responsible relationship with the world entrusted to humankind.

Pope John Paul II. was guided by the conviction that the human relationship with nature must be understood in the context of the relationship with the Creator. Thus, he linked ecological responsibility with issues of justice and poverty. In his encyclical *Redemptor Hominis* (1979), he emphasized that humans are called to be stewards of creation, not its exploiters. According to him, ecology is not just a technical matter but a moral and spiritual issue (John Paul II, 1979). The message entitled *Peace with God the Creator, Peace with All of Creation*, delivered on the World Day of Peace in 1990, clearly identified the ecological crisis as a “moral crisis,” with Pope John Paul II emphasizing that pollution, deforestation, and species extinction are consequences of a disrupted relationship between humanity and nature (John Paul II, 1990).

5. Economy for the Human Being, Not the Human Being for the Economy: Inclusive Capitalism and Its Papal Vision

The concept of inclusive capitalism in the thought of Pope Francis presents a fundamental challenge to the ethical reconsideration of current economic structures. It is not merely an alternative normative economic theory, but above all a moral and anthropological appeal rooted in the tradition of Catholic social teaching, responding to the negative impacts of globalization. Francis calls for an economy that serves the human being, not the other way around (Francis, 2015). His approach thus directly contrasts with the dominant paradigm of neoliberalism, which often reduces the human being to a means of maximizing profit (Francis, 2020a).

In this context, the Pope's vision partly builds on the work of Adam Smith, who is often misinterpreted as a defender of radical individualism. In *The Theory of Moral Sentiments*, Adam Smith underscores the importance of moral sentiment, compassion, and sympathy as fundamental components of social cohesion and the functioning of markets (Smith, 2002). While Pope Francis acknowledges this ethical dimension of Smith's work, he simultaneously cautions against the ideological appropriation of the notion commonly known as the “invisible hand of the market,” which in contemporary discourse is often employed to legitimize market fundamentalism and the exacerbation of social inequality (Francis, 2013).

Similar criticism had already been raised in the 19th century by Pope Leo XIII in the encyclical *Rerum Novarum* (1891), where he condemned liberal capitalism for deepening the divide between the rich and the poor (Leo XIII, 2001). He rejected the reduction of the human being to mere labor force and stressed the need for a moral framework within market logic. Subsequent popes have repeatedly pointed out that interpretations of Smith's

work in the spirit of laissez-faire ideology lack moral sensitivity to the injustices of an unregulated market. Without the correctives of solidarity, subsidiarity, and a legal framework, such a market produces structural inequalities (Pius XI, 1931; John Paul II, 1991).

On the opposite ideological pole stands the thought of Karl Marx, whose analysis of structural injustice and alienation of labor in some respects resonates with the Pope's criticism of global capitalism (Marx, 1990). However, unlike Marx, Francis does not seek to abolish private property, but to promote its social responsibility. In line with his predecessors, he also rejects Marxist ideology as materialistic and destructive to human dignity. Leo XIII regarded Marxism as a threat to the family and social order; Pius XI called it a "perverse doctrine" in his encyclical *Divini Redemptoris* (1937); and John Paul II emphasized in *Centesimus Annus* (1991) that both capitalism without moral correction and communism without spiritual values fail because they ignore the ethical dimension of human existence.

Benedict XVI, in the encyclical *Caritas in Veritate* (2009), developed the concept of the "economy of gift" and the "civilization of love" as a response to market logic devoid of ethical considerations. He stressed that technology, finance, and markets are not ethically neutral - they must be subordinated to human responsibility and the service of the common good.

Pope Francis advances the tradition of papal social teaching, maintaining its emphasis on the dynamic interplay between freedom, responsibility, and solidarity. His approach is rooted in the foundational principles articulated by Leo XIII (*Rerum Novarum*, 1891), further developed through the doctrinal clarifications of Pius XI (*Quadragesimo Anno*, 1931), and deepened by the aggiornamento of John XXIII (*Mater et Magistra*, 1961; *Pacem in Terris*, 1963). The anthropological and ethical insights of John Paul II (*Laborem Exercens*, 1981; *Centesimus Annus*, 1991), along with the theological rigor of Benedict XVI (*Caritas in Veritate*, 2009), also significantly inform his magisterial orientation. He emphasizes integral human development, international solidarity, and ecological responsibility. In his encyclical *Fratelli tutti* (2020), he rejects individualistic neoliberalism and promotes values of fraternity, social responsibility, and an inclusive economy. His position is in some respects close to John Maynard Keynes's economic thinking, which emphasized public investment, redistribution, and state involvement in ensuring the common good, particularly during times of crisis (Keynes, 1936). Francis shares the belief that economic inequality is not only a moral issue but a fundamental threat to social stability (Francis, 2020b). In contrast, he explicitly criticizes Friedrich Hayek and Milton Friedman, whose faith in the self-regulating market and the priority of individual freedom he calls "magical thinking," ignoring structural poverty, ecological devastation, and social exclusion (Francis, 2020a). He criticizes neoliberal logic as an ideology that justifies the concentration of wealth at the expense of sustainability and solidarity.

Nevertheless, he finds some intellectual affinity with Hayek in the emphasis on civil society and spontaneous social order. Although they originate from different intellectual traditions - Francis from a theological, Hayek from a classical-liberal - both reject totalitarian models and emphasize the role of freely organizing communities. Francis's emphasis on the "culture of encounter" and subsidiarity thus in some sense resonates with Hayek's concept of the evolutionary development of social institutions.

The establishment of the Council for Inclusive Capitalism with the Vatican in 2020 is also of significance in this context, as it represents an effort to bring together key global economic actors to promote business practices grounded in ethical, social, and environmental responsibility.(Council for Inclusive Capitalism, 2020). This project emerged in response to the need to reform traditional models of capitalism focused exclusively on short-term profit, frequently neglecting considerations of social justice, sustainability, as well as ethical responsibility.

The contemporary debate on capitalism reform highlights the need to transition from traditional forms of economic growth toward a model that is more inclusive, ethically responsible, and environmentally sustainable. The Council advocates for a new form of capitalism - one that creates opportunities for all segments of society, promotes social inclusion, and reduces economic inequalities. An integral part of this concept is environmental responsibility, which entails an active approach to nature conservation and the mitigation of the negative impacts of business activities on the climate. This model simultaneously emphasizes long-term values, which include not only economic prosperity but also ethics, social responsibility, and sustainability (Stiglitz, 2019; Raworth, 2017).

In this context, the concept of responsible investing gains increasing importance, having emerged as a new paradigm in financial decision-making. Particularly relevant is the approach that integrates Environmental, Social, and Governance (ESG) factors, aiming to align investment decisions with sustainability values. Recent financial literature demonstrates that ESG integration not only responds to the growing expectations of stakeholders but may also contribute to better risk management and improved long-term portfolio performance (Friede, Busch, & Bassen, 2015; Whelan, Atz, & Van Holt, 2021). As a result, investment managers and institutional investors are increasingly incorporating ESG data in capital allocation decisions, which is subsequently reflected in regulatory frameworks such as the European Union Taxonomy for Sustainable Activities and the Sustainable Finance Disclosure Regulation (SFDR).

The SFDR seeks to enhance transparency regarding the integration of sustainability risks and the negative impacts of investment decisions on environmental and social factors (European Commission, 2021). This regulatory framework is intended to provide investors with comparable and reliable information for responsible decision-making. ESG investing can no longer be regarded merely as an ethical choice, but rather as a structural approach to risk management and sustainable value maximization (Berg, Kölbl, & Rigobon, 2022). Empirical studies provide mostly positive, although methodologically diverse, evidence on the relationship between ESG integration and financial performance. For example, the meta-analysis by Friede, Busch, and Bassen (2015), which included over 2,000 studies, found that approximately 90% of relationships between ESG factors and performance are positive or neutral. However, critical financial studies also point to phenomena such as greenwashing, selective data disclosure, or ESG bias, which may distort evaluation results (Berg et al., 2022).

Recent meta-analyses (e.g., Whelan et al., 2021; Berg et al., 2022) demonstrate that ESG impacts vary across sectors, geographic regions, and investment horizons, with the greatest benefits occurring in long-term investing and active portfolio management.

In this context, the SFDR serves as an important tool in combating greenwashing, as it mandates the classification of financial products according to their sustainability

characteristics (Articles 6, 8, and 9 of the SFDR) and the disclosure of Principal Adverse Impacts (PAI) - i.e., the main negative impacts of investments. Nonetheless, critics point to limited transparency and methodological inconsistencies in ESG scoring systems, underlining the need for a more profound reflection on the effects of these instruments (Kölbel, Heeb, Paetzold, & Busch, 2020).

The debate is thus shifting from a narrow focus on the financial advantages of ESG approaches to broader reflections on how ESG integration and regulatory frameworks such as SFDR are transforming the very nature of financial markets, their social responsibility, and their ability to support a real transition toward a sustainable economy. This development may be understood as part of a broader trend of redefining 21st-century capitalism, with the goal of achieving not only economic growth but also a just, ethical, and environmentally responsible society (Sandel, 2020; Mazzucato, 2021).

This initiative also builds a bridge between the private and public sectors, between businesses, the Church, and non-profit organizations. It enables the sharing of experience, the definition of common standards, and the search for strategies that can positively influence the global economic direction. The Vatican here plays the role not only of a spiritual authority but also of a bearer of values that are to be revived in economic life - justice, solidarity, and care for the common good. The Council for Inclusive Capitalism thus represents an innovative response to the challenges of the contemporary world and offers a vision of capitalism that is ethical, sustainable, and beneficial for all humanity.

6. Integral Ecology: The Ethical-Environmental Framework of Sustainability

The most prominent synthesis of theological, philosophical, scientific, and ethical aspects is presented in *Laudato si'*, the 2015 encyclical by Pope Francis. This document offers a comprehensive reflection on the ecological crisis as a manifestation of a deeper moral and spiritual disorder of civilization. Francis builds upon his predecessors but develops the Church's ecological teaching into a coherent framework of integral ecology that includes environmental care, social justice, economic balance, and spiritual conversion (Pope Francis, 2015).

He criticizes the technocratic paradigm and anthropocentrism, which lead to the destruction of nature and human relationships. Nature is not seen as an object of manipulation but as a gift reflecting God's love and wisdom. He emphasizes the dialogue between science, ethics, and faith. In the spirit of systems thinking, as developed by the Club of Rome (Meadows et al., 1972), Francis highlights the interconnectedness of ecological, economic, and social systems. Like Carson (1962) and the Meadows, he warns against a linear development model and calls for a sustainable and morally grounded model of coexistence.

This theological-philosophical perspective introduces a transcendent dimension into ecological discourse, complementing scientific knowledge. It shows that genuine ecological transformation requires inner change—in thought, values, and the meaning of human life (Pope Francis, 2015). Thus, Church calls find common ground with environmental visionaries in ethical appeals, systems thinking, and emphasis on life's integrity (Carson, 1962; Meadows et al., 1972).

Integral ecology links ecological, social, economic, cultural, and spiritual dimensions into a unified framework of sustainability and justice. It rejects purely technocratic approaches and calls for a holistic paradigm shift rooted in ethical responsibility for our common home and solidarity with all beings (Pope Francis, 2015). Ecological and social crises are closely interlinked—poverty, exclusion, and environmental degradation are mutually reinforcing phenomena (Latour, 2017).

In this context, ecological ethics is also a matter of interpersonal solidarity. Environmental responsibility is part of a broader cultural and value framework, where a sense of meaning and connection with community plays a central role (Latour, 2017). Cultural ecology, as part of this integrative approach, highlights the significance of traditions, religion, and local knowledge for ecological practices (Berry, 1999).

Integral ecology also brings a spiritual dimension to the ecological discourse, helping to overcome nihilism and despair caused by climate change and the loss of biodiversity (Berry, 1999). It criticizes consumer culture for promoting separation from nature and excessive consumption, which leads to environmental degradation and social inequality (Bauman, 2007).

In education, integral ecology connects environmental literacy with value-based action and the ability to live in accordance with the principles of sustainability (Orr, 1992). On a practical level, it is applied through community strategies supporting self-sufficiency and the protection of local ecosystems - e.g., through social entrepreneurship or the circular economy (Geissdoerfer et al., 2017).

7. Circular Economy – A Bridging Concept between Inclusive Capitalism and Integral Ecology

An alternative economic model focused on closing material and energy cycles within economic systems is known as a circular approach. Its goal is to minimize waste, utilize resources efficiently, and regenerate natural systems, fundamentally differing from the traditional linear model of "extract - produce - consume - discard" (Boulding, 1966; Graedel, Allenby; 2010). This approach encompasses the ecological, societal, and financial aspects of sustainable development and requires a systemic transformation of both production and consumption patterns.

The conceptual underpinnings of the circular economy can be historically situated in 1966, when Kenneth Boulding articulated a dichotomy between the "cowboy economy", premised on the assumption of infinite natural resources, and the "spaceship economy", which acknowledges ecological finitude and the imperative of closed-loop material flows (Boulding, 1966). This concept anticipated key principles of environmental thinking that distance themselves from the linear economy and advocate for systemically integrated approaches.

The circular economy is a transdisciplinary concept drawing from theoretical directions such as biomimicry, industrial ecology, ecodesign, and ecological economics. Biomimicry is inspired by natural processes, where each output serves as an input for another cycle. Industrial ecology seeks symbiotic interconnections between systems through closed loops of energy and materials (Graedel, Allenby; 2010). Ecodesign considers environmental impacts throughout a product's lifecycle, while ecological

economics emphasizes the dependency of the economy on ecological limits and natural capital (Costanza et al., 1997). Since the 1990s, the circular economy has often been associated with the green economy, which promotes sustainability through efficient resource management and the reduction of negative externalities (United Nations Environment Programme, 2011). The closed-loop economic model gained institutional recognition especially after 2008, when the UN Environment Programme defined it as a system focused on reducing environmental risks, ensuring social equity, and improving human well-being.

Concurrently, the idea of the blue economy, put forward by Gunter Pauli in 2010, appeared in response to the shortcomings of the green economy. This model emphasizes the use of locally available resources, subsidy-free sustainability, and job creation through local material circulation (Pauli, 2010). A key principle is that waste is seen as a new input to the production process, reinforcing the connection between natural cycles, technologies, and the economy.

Another significant contribution is the Cradle to Cradle concept by Braungart and McDonough), which designs products to re-enter technical or biological cycles after their use phase (Braungart, McDonough; 2002). It differentiates between technical nutrients, which can be recycled without quality loss, and biological nutrients, which decompose naturally and enrich the environment. The five basic criteria include non-toxicity, recyclability, renewable energy, water stewardship, and social fairness. This approach has found application in architecture, the textile industry, and urban planning.

The current understanding of the circular economy is also shaped by the concept of Doughnut Economics developed by Kate Raworth. This model defines the space of economic activity between the social foundation and the ecological ceiling (Raworth, 2017; Rockström et al., 2009). The inner boundary encompasses basic needs, while the outer sets planetary limits. Doughnut Economics rejects Gross Domestic Product as the main measure of progress and promotes development within environmental and social sustainability. Its principles have been adopted in numerous European cities and have influenced public policy-making. Thus, the circular economy has become one of the key directions of environmental and economic thinking in the 21st century. Its theoretical foundations and practical implementations demonstrate its potential for transforming economies toward sustainability, resilience, and social justice.

In his 2015 encyclical *Laudato si'*, Pope Francis highlights the necessity of moving away from the linear economy model and adopting an approach that reduces waste, promotes the reuse of materials, and ensures the closure of material and energy cycles. In light of the Church's environmental ethics, the circular economy may be understood as an instrument of equitable development - one that safeguards both the poor and the natural environment, and fosters the integral flourishing of humanity (Deneulin, Zampini Davies; 2020).

In 2020, the Pope launched *The Economy of Francesco*, a project aiming to formulate economic models based on solidarity, human dignity, and ecological responsibility. Within this framework, circular economy is emphasized as part of a moral and spiritual renewal where waste is seen as a resource, local sources are prioritized, and everyday ecology becomes the norm (The Economy of Francesco, 2020).

Pope Francis also highlights the social dimension of environmental issues, such as the impact of environmental degradation on the poor, the marginalized, and future generations. He criticizes the “throwaway culture”, which affects not only things but also people (Francis, 2015), and calls for an “ecological conversion” that involves transformation of both individual and systemic structures. In his apostolic exhortation *Laudate Deum* (2023), Francis further develops the call for environmental action, appealing to states, businesses, and individuals to stop viewing the planet merely as a tool for exploitation. Circular economic principles are understood as a framework supporting the renewal of ecological and social bonds and the resolution of climate injustice.

From a theological perspective, the circular economy is part of the concept of integral ecology, which connects care for nature and people while emphasizing the interlinkage of natural and social systems. Francis criticizes blind faith in technological progress and calls for responsibility, redistribution, and renewability (Bianchi, 2016). The Pope’s attitude toward the circular economy can be interpreted as a call for a new form of globalization based on solidarity, participation, sustainability, and ecological justice, not just for believers but for all humanity.

8. Circular Technologies in the Practice of Responsible Investing: Synergies for the 21st Century

Responsible investing represents a growing trend in finance, reflecting the evolving values of investors, society, and regulatory frameworks. This approach incorporates ESG principles into capital deployment strategies. Rather than focusing solely on maximizing returns, it emphasizes long-term sustainability and the ethical impact of investments. Over the past few decades, the demand for investment tools that take into account not only economic factors but also broader societal impacts has been growing. A significant impetus for the development of responsible investing came from the 2015 Paris Climate Agreement, which led to a shift toward decarbonizing the economy and increased emphasis on sustainability in the private sector (UNFCCC, 2015). Investors are increasingly aware that the long-term value of assets is closely linked to companies’ ability to adapt to climate, technological, and social challenges.

Ethical investing is implemented on several levels. The first is negative screening, which excludes investments in companies or sectors involved in controversial areas such as weapons, tobacco, gambling, or coal mining. The second level is positive selection, i.e., actively seeking companies with high ESG scores. The third approach is active ownership, where investors aim to influence corporate behavior through dialogue, voting at general meetings, and shareholder proposals (Eurosif, 2023). The importance of responsible investing is also confirmed by empirical research. An analysis of over 2,000 academic studies, conducted by Friede, Busch, and Bassen (2015), demonstrated that in the vast majority of cases, a positive correlation exists between ESG factors and financial performance, indicating that responsible investments tend to yield more stable and less risky returns.

At the institutional level, responsible investing is becoming the standard. Driven by a comprehensive framework of ethical standards, a deep commitment to corporate social responsibility, and a strict investment policy, the Norwegian Government Pension

Fund - the largest in the world - actively excludes companies that engage in human rights abuses, cause significant environmental harm, or are involved in corruption, ensuring its investments promote sustainable and responsible business practices (Norges Bank Investment Management, 2024). The European Union has adopted the Taxonomy for Sustainable Activities, which helps clarify what can be considered a truly sustainable investment (European Commission, 2020). Interest in ESG investments is also growing among individual investors, especially the younger generation. A Morgan Stanley survey (2021) shows that more than 80% of millennials consider ESG factors crucial in investment decisions.

Certain challenges persist, including so-called greenwashing – the misleading labeling of investments as “green” without genuinely meeting ESG criteria. Another significant issue is the use of disparate methodologies and the lack of transparency in ESG evaluations across different rating agencies, which considerably hampers the comparability of investment opportunities (Berg, Kölbel & Rigobon, 2022). Nevertheless, the direction of development is clear: responsible investing is becoming the new standard for investors who see sustainability as a key prerequisite for long-term stability and profitability.

In recent years, responsible investment has become a key catalyst for driving the transition toward more sustainable economic models. A central focus has been placed on encouraging innovation and supporting the uptake of circular technologies designed to reduce waste, close material loops, and enhance resource efficiency. These practices are not only environmentally beneficial but are increasingly seen as economically strategic, offering novel opportunities for both investors and entrepreneurs (Ellen MacArthur Foundation, 2021). The implementation of circular economy solutions - such as closed-loop production systems, digital sharing platforms, and advanced recycling technologies - demands substantial financial resources, which responsible investors are increasingly willing to provide. To identify areas with potential for sustainable growth, investors frequently rely on ESG (Environmental, Social, and Governance) evaluation frameworks. According to the European Investment Bank (EIB, 2022), sectors like construction, electronics, automotive, and agriculture - known for their high levels of waste generation and raw material use - present considerable return potential. Institutional frameworks and regulatory support are essential in advancing circular economic practices. The European Union, through initiatives such as the European Green Deal and the Circular Economy Action Plan, has laid the groundwork for policies that foster the development of circular systems and improve the attractiveness of sustainable investment options (European Commission, 2020).

In practice, responsible investing in circular technologies is manifested through impact investing - investments aimed at achieving positive social or environmental impact. Integrating ESG factors into traditional decisions reduces long-term risks and improves corporate reputation. Empirical data from the Organisation for Economic Co-operation and Development suggest that the application of circular economy principles in business practice correlates with a higher degree of innovation, process efficiency, and enhanced competitiveness of market entities.

Financial institutions play a key role in supporting ecological sustainability through green financing. They provide preferential loans and financial products aimed at promoting environmentally friendly projects. For example, the European Bank for

Reconstruction and Development finances initiatives focused on energy efficiency, water recycling, and the utilization of biological waste (EBRD, 2023). Through these efforts, the EBRD contributes to the decarbonization of the economy and the protection of natural resources. Investments in circular technologies thus represent not only ethical but also economic pragmatism. A study by McKinsey & Company (2016) estimates that adopting circular principles in Europe could increase Gross Domestic Product, by up to 7 % by 2030 and create over two million jobs. Companies can reduce raw material costs and develop new business models based on leasing, servitization, or digital solutions. However, despite the benefits, obstacles remain, such as the lack of harmonized impact measurement methodologies, limited access to finance for smaller businesses, and low investor awareness of the circular economy. Ensuring interdisciplinary cooperation, supporting educational activities, and developing tools that enable the assessment of the environmental impacts of investment projects are considered essential.

9. Conclusion

The market mechanism is not a universal tool for solving all problems. Historical experience and modeling of complex interactions between economic and social subsystems demonstrate this, among other things, through systems dynamics forecasts (Meadows et al., 2004). Although the market often efficiently allocates resources and fosters innovation, it can also produce outcomes that are problematic from the perspective of social justice, ethics, or sustainability - such as deepening social inequalities, environmental degradation, or weakening the public interest (Stiglitz, 2019). System dynamics therefore highlight the limitations of market forces and emphasize the need for regulation, long-term planning, and the incorporation of moral and value-based criteria in decision-making processes to prevent destabilizing effects that the market alone cannot eliminate.

Based on the aforementioned facts, the circular economy represents a genuine "win-win" concept, meaning it brings benefits to all stakeholders without compromises or losses (Geissdoerfer et al., 2017). On one side, the planet gains relief from excessive resource use, overproduction of waste, and pollution. Nature protection is essential not only for maintaining species diversity and ecosystem functioning but also for ensuring a sustainably high quality of life for all of us in the future (Ellen MacArthur Foundation, 2013). On the other side, businesses benefit from this shift, as they can optimize production processes, reduce costs, and simultaneously develop innovative products and services. Companies embracing this model gain a competitive advantage and access to new markets, such as repair, rental, or recycling. These activities not only promote economic growth but also create jobs and strengthen local economies (Kirchherr et al., 2018). Equally important is the benefit for society as a whole. The circular economy encourages responsible consumer behavior, increases awareness of sustainability, and helps build a community that values resources and protects the environment (Murray et al., 2017). This leads to stronger social bonds and greater civic engagement.

From the perspective of inclusive capitalism, however, the circular economy brings an even broader meaning. This model emphasizes that economic development must not only be efficient but above all fair and inklusiv - one that leaves no group behind,

whether socially, economically, or regionally (Raworth, 2017). The circular economy therefore opens opportunities for local community development, supports small and medium-sized enterprises, social entrepreneurship, and employment of disadvantaged population groups. It creates an economy that is not only about profit for a narrow group of capital owners, but about value shared across the whole society.

Simultaneously, according to the encyclical *Laudato si'* (2015), the concept of integral ecology, formulated by the Holy Father Francis, expands the notion of sustainability through the interconnectedness of all forms of life, social systems, and nature. Integral ecology thus invites us to consider life as a whole, where environmental justice, social cohesion, and economic responsibility form inseparable components. This approach reveals that the circular economy is not just a technical or economic model, but above all a way of living in harmony with the planet and our shared societal values and solidarity.

To turn this vision into reality, it is essential to design and implement effective policy frameworks. These should include legislative instruments such as Extended Producer Responsibility (EPR), Green Public Procurement (GPP), and environmental taxation, which incentivize the adoption of circular practices across sectors. For example, the European Union's Circular Economy Action Plan (2020) provides a comprehensive regulatory model that combines legislative measures, financial instruments, and strategic objectives to support sustainable product design, waste reduction, and the promotion of innovation (European Commission, 2020).

Furthermore, national-level case studies demonstrate successful pathways to implementation. In the Netherlands, the government has adopted a National Circular Economy Programme aimed at achieving a fully circular economy by 2050. This program is supported by regulatory mechanisms, grant schemes, and cross-sectoral partnerships (Government of the Netherlands, 2016). In Sweden, tax incentives for repair services encourage consumers to extend product lifespans, thereby promoting local employment and reducing waste (Swedish Ministry of Finance, 2017). These examples illustrate that well-coordinated and evidence-based regulatory frameworks can lead to systemic transitions toward sustainability.

In developing countries, localized policy experimentation has proven effective - for instance, community-based waste management systems in India or the promotion of circular agricultural enterprises in Kenya - showing that bottom-up regulation and support for informal sectors can align with broader sustainable development goals (Chaturvedi et al., 2021; UNEP, 2019). Linking ethical and ecological ideals with applicable regulatory models thus not only strengthens the overall argument but also makes it more comprehensible and persuasive to policymakers, businesses, and civil society actors.

Provided that the principles of the functioning mechanism of the circular economy are aligned with inclusive capitalism and integral ecology, a new vision of development emerges - one that emphasizes not only the efficient use of resources, but also the dignity of work, social justice, the protection of the rights of vulnerable groups, and deep respect for the natural environment. A future where the economy serves both people and the planet, where development and nature conservation do not oppose each other but together create a harmonious and prosperous world for us and future generations.

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