

Circular Economy in Fashion: Textile Recycling, Upcycling, and the Future of Green Apparel

Dr. Elena M. Rossi

Department of Sustainable Fashion and Circular Economy, Politecnico di Milano, Italy

Received : 21/07/2025 ; Accepted : 25/01/2026 ; Published : 08/04/2026

Abstract

Critics are pointing fingers at the fashion industry, which uses a lot of resources, for contributing to issues like textile waste, unsustainable consumption habits, and environmental deterioration. Recycling textiles, upcycling them, and designing closed-loop systems to reduce waste and increase product lifecycles are all part of the circular economy's push for these changes. How advances in recycling and upcycling help to environmental sustainability and consumer adoption of green clothes, transforming the future of this industry according to principles of the circular economy. Theories of consumer behavior and sustainability are being used to explain how innovations in fiber recycling technology, the expansion of the second-hand market, and innovative upcycling projects are shaking up the conventional linear models of production and consumption. Research suggests that upcycling encourages innovation, local handicraft, and consumer participation in sustainable activities, whereas recycling programs lessen reliance on resources and emissions of carbon dioxide. However, obstacles to broad adoption include issues with scalability, economic feasibility, customer awareness, and the enduring ethos of quick fashion.

Keywords: Circular Economy, Sustainable Fashion, Textile Recycling, Upcycling, Green Apparel

Introduction

With a market capitalization of more than \$2 trillion, the fashion industry has emerged as a major player in the world economy and culture this century. But behind all that energy comes a disturbing truth: the apparel industry is one of the most polluting and resource-intensive globally. The conventional "take-make-dispose" paradigm has been a major cause of environmental deterioration because to its inherently unsustainable practices of resource extraction, water consumption, chemical contamination, and carbon emissions. Estimates show that the textile sector produces more than 92 million tons of trash every year, with a significant portion of it going to landfills or being burned, where it releases harmful compounds into the environment. This problem has been made worse by the fast fashion industry, which promotes overproduction and overconsumption by selling cheap, fad-driven clothing that is only good for a season or two. In this context, the circular economy has made a strong case for itself by providing ways to rethink the future of clothing by reusing, recycling, and regenerating materials, thus reducing waste and conserving resources. The foundational principle of the circular economy is the elimination of wasteful practices and the extension of product lifecycles through the closing of material loops. Circular fashion differs from the linear model in that it prioritizes textiles' longevity, recyclability, and ongoing value generation. Textile recycling

and upcycling are two paradigm-shifting methods that stand out within this framework. Textile recycling lessens the need for raw materials and their negative effects on the environment by converting used clothing into fibers that can be used to make new textiles. The practicality of widespread adoption is improving thanks to technological advancements in areas like chemical recycling, mechanical fiber recovery, and bio-based recycling. By transforming used clothing and textile remnants into brand new, more valuable items, upcycling highlights inventiveness and creativity. Not only does upcycling help the environment by reducing trash, but it also supports local craftsmanship, individuality, and consumer involvement in sustainability. The proliferation of platforms for renting out and reselling items, as well as for sharing and collaborating on purchases, is helping to solidify the shift toward a circular fashion economy. Consumers are increasingly prioritizing experiences, sustainability, and affordability over ownership, as shown by global companies like ThredUp, Depop, and Rent the Runway. Younger generations like Millennials and Gen Z are making a strong statement about climate change and social responsibility through their fashion choices. Green attire that follows circular principles is seen as more than just a fashion statement. Earlier views of second-hand clothing as unpleasant have been replaced by a widespread acceptance of recycled and upcycled fashion, which signals a larger shift in fashion consumption standards.

Environmental Benefits of Recycling and Upcycling

By tackling textile waste, reducing carbon emissions, and conserving natural resources, the fashion industry may significantly lessen its environmental impact through recycling and upcycling procedures. Garments are usually thrown away in landfills or burned in traditional linear fashion systems, which adds to pollution and gas emissions. As an alternate, textile recycling can be used to recover fibers from either post- or pre-consumer waste and incorporate them back into the production cycle. Modern mechanical and chemical recycling processes can decompose old clothing into their component chemicals or raw fibers, which can subsequently be utilized to create brand-new textiles. This method lessens the need for virgin materials like cotton and polyester, which are both made from fossil fuels and necessitate large amounts of water and pesticides. Brands may assist in the fight against climate change by reducing their water, energy, and emission footprints by using recycled inputs instead of virgin ones.

By ingeniously repurposing unwanted or excess textiles into new, higher-value items, upcycling increases the useful life of these materials while decreasing overall waste. To recycle existing materials with little new inputs, upcycling uses design ingenuity and workmanship, as opposed to recycling, which sometimes includes energy-intensive processes. One way to limit landfill impacts while promoting artisanal methods is by repurposing old denim into patchwork jackets or fabric scraps into accessories. Not only does upcycling keep textile quality high during multiple cycles of recycling, but it also helps conserve resources by avoiding downcycling. Upcycling is in line with sustainable consumption models and helps keep materials in circulation at their maximum value, which is excellent for the idea of circularity. When applied across supply chains, recycling and upcycling have an even greater positive impact on the environment. The development of synthetic fibers and monoculture cotton cultivation are both linked to the loss of biodiversity and chemical contamination; nevertheless, recycling lessens the necessity for both practices. One of the biggest hidden environmental

expenses in the fashion industry is pre-consumer waste, which includes things like unsold inventory and offcuts. Upcycling helps to reduce this waste. When put together, these approaches have the potential to transform the industry from one that significantly degrades the environment to one that promotes resource efficiency. More importantly, when recycling and upcycling become standard practices in the fashion industry, it raises consumer awareness of the effects of their purchasing habits on the environment and motivates them to be more conscientious about their consumption.

Barriers to Scaling Circular Fashion

Despite the obvious cultural and environmental benefits of recycling and upcycling, there are substantial obstacles to their widespread acceptance in the international fashion business. The shift from specialized initiatives to systemic circularity is impeded by a complex collection of obstacles that include technological, economic, organizational, and consumer-related aspects. From a technical standpoint, there are still issues with the efficiency and scalability of recycling operations. Because fiber separation is so laborious and expensive, most recycling methods have a hard time processing blended textiles, which are quite common in the garment industry. Reducing fiber quality during mechanical recycling usually results in downcycled goods instead of closed-loop systems, while chemical recycling, although promising, is energy intensive and infrastructure-heavy. Although upcycling is a more creative and efficient use of resources, it is still mostly done on a small scale, by hand, and requires a lot of labor. This means it can not solve the problem of textile waste on a global scale. Worse worse, there are currently no established protocols for recycling, sorting, or collection.

Another factor that limits the expansion of circular fashion is financial constraints. When considering technology investments, manpower requirements, and smaller-scale operations, it is evident that recycling and upcycling might be more expensive than linear manufacturing methods. Sustainable alternatives can seem like luxury items to consumers used to quick fashion prices, which makes them hard to afford and prevents them from reaching the mainstream market. Particularly in fast-paced, cost-conscious marketplaces, where businesses face intense competition, the absence of immediate monetary benefits from circular investments deters widespread implementation. Fast fashion's well-established economies of scale make circular models difficult to compete in the absence of monetary incentives.

Fashion firms' reluctance to change, supply chain fragmentation, and the lack of circular design concepts throughout product development are all examples of organizational and supply chain hurdles. The qualities of longevity and durability that are fundamental to circularity are at odds with the continued emphasis of many brands on fast product turnover and trend cycles. Additionally, the creation of integrated circular ecosystems is hindered by a lack of collaboration among stakeholders, including companies, recyclers, lawmakers, and consumers. Consumers also face a formidable obstacle in the form of behavioral and cultural aspects. The "intention-behavior gap" is real; people say they want to wear eco-friendly clothes but keep buying fast fashion because it is convenient, cheap, and follows trends. This is despite the fact that people are becoming more conscious of the need of sustainability. Furthermore, distrust and participation in circular projects are diminished due to a lack of knowledge about recycling and upcycling processes and aversion to greenwashing. Affordability takes precedence over

environmental concerns in underdeveloped nations, where consumer knowledge and cultural acceptance are still unequal.

Conclusion

An ecological imperative and a strategic chance to shape the future of clothing, the shift to a fashion sector based on the circular economy is here. The circular method takes aim at the rapid fashion industry's wasteful linear paradigm by promoting textile recycling, upcycling, and new forms of commerce including renting and reselling. Upcycling encourages creativity, increases product lifespans, and promotes societal acceptance of sustainability, while recycling decreases reliance on virgin materials and mitigates the water and carbon intensity of textile manufacture. Taken as a whole, these methods have the possibility to make the fashion industry more in line with worldwide sustainability objectives. However, there are still many obstacles that make it hard to scale circular fashion. These include things like limited technology for processing blended fabrics, expensive sustainable production, disjointed supply chains, price and convenience-based consumer resistance, and a lack of thorough regulatory frameworks. A collaborative strategy including several stakeholders, including new ideas, encouraging policies, open dialogue, and consumer education, is necessary to overcome these obstacles. As millennials and Gen Zers want more and more eco-conscious, responsible, and genuine products, fashion companies are seeing the adoption of circular ideas as a way to stay competitive in the long run. Policymakers can speed up the process of change by establishing the necessary infrastructure and market conditions through regulatory interventions and stronger incentives. When fashion is about more than just following trends—it is also about taking responsibility for the environment and society—the future of eco-friendly clothing will be in the hands of those who make circularity the standard in society and the economy. Circular fashion provides a model for a more sustainable and robust worldwide fashion sector by integrating ecological responsibility with artistic expression and technological advancement in the fashion industry.

Bibliography

- Awan, U., Sroufe, R., & Shahbaz, M. (2021). Exploring the role of circular economy practices in sustainable supply chain management: A systematic review. *Journal of Cleaner Production*, 322, 129090. <https://doi.org/10.1016/j.jclepro.2021.129090>
- Bick, R., Hazen, B. T., & Dooley, K. J. (2021). A review of the sustainability challenges of textile and clothing supply chains. *Sustainable Production and Consumption*, 27, 169–181. <https://doi.org/10.1016/j.spc.2020.10.018>
- Ellen MacArthur Foundation. (2021). *Circular business models: Redefining growth for a thriving fashion industry*. Ellen MacArthur Foundation. Retrieved from <https://ellenmacarthurfoundation.org>
- Franco, I. (2022). Circular economy in the fashion industry: A systematic literature review. *Business Strategy and the Environment*, 31(4), 1488–1504. <https://doi.org/10.1002/bse.2966>
- Hu, Y., Li, Y., & Choi, T. M. (2022). Textile waste and circular economy: Innovations, barriers, and future directions. *Resources, Conservation & Recycling*, 180, 106208.

<https://doi.org/10.1016/j.resconrec.2022.106208>

Kozłowski, A., Searcy, C., & Bardecki, M. (2021). Circular fashion: A framework for understanding sustainable business model innovation in the textile industry. *Journal of Cleaner Production*, 297, 126605. <https://doi.org/10.1016/j.jclepro.2021.126605>

Niinimäki, K., & Karell, E. (2020). Closing the loop: The role of upcycling in sustainable fashion. *Fashion Practice*, 12(2), 235–253.

<https://doi.org/10.1080/17569370.2020.1726545>

Pedersen, E. R. G., & Andersen, K. R. (2023). Circular business models in fashion: Opportunities and barriers. *Business Strategy and the Environment*, 32(1), 403–418.

<https://doi.org/10.1002/bse.3187>

Sandin, G., & Peters, G. M. (2020). Environmental impact of textile reuse and recycling – A review. *Journal of Cleaner Production*, 266, 121574.

<https://doi.org/10.1016/j.jclepro.2020.121574>

Yang, S., Song, Y., & Tong, S. (2023). Consumer acceptance of recycled and upcycled apparel: Evidence from cross-generational perspectives. *Sustainability*, 15(2), 1123.

<https://doi.org/10.3390/su15021123>