

Advancing Circular Economy

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1 | INTRODUCTION

Our environment is in a state of constant decline. Reversing this decline necessitates fundamental transformations in how industrial activities are conducted. To that end, many approaches have been proposed, among which circular economy has risen to the highest prominence in recent years (Lacy & Rutqvist, 2015). In contrast to a traditional linear economy approach within which raw materials are ultimately converted into waste, circular economy aims to trigger a virtuous circle such that goods at the end of their service life are converted into resources for the next generation of goods. Therefore, circular economy seeks to close loops in industrial ecosystems (Stahel, 2016), enabling companies to create and capture value from reusing, repairing, remanufacturing, or recycling (Centobelli, Cerchioni, Chiaroni, Del Vecchio, & Urbaniti, 2020).

Despite its increasing popularity among scholars, governments, think-tanks, and nongovernmental organizations, circular economy still remains a niche phenomenon embraced by only a small number of companies within a limited number of industries. Barriers to the development of circular economy have previously been studied at both field (Govindan & Hasanagic, 2018; Ranta, Aarikka-Stenroos, Ritala, & Mäkinen, 2018) and firm levels (Franco, 2017; Hopkinson, Zils, Hawkins, & Roper, 2018). Yet we do not have a full understanding of how to advance circular economy at a global scale such that it becomes a mainstream way of doing business.

The aim of this Special Issue is to foster research that would aid in understanding barriers to increasing the uptake of circular economy among companies. To that end, the Special Issue will comprise an excellent collection of articles in three thematic areas: (i) circular economy in a post-COVID-19 era, (ii) tensions between entrenched ways of doing business and principles of circular economy, and (iii) complementarities between circular economy and other approaches to enact economywide changes.

I. Circular economy in a post-COVID-19 era

The global outbreak of the COVID-19 virus has revealed many vulnerabilities of global production and supply networks (Panwar, 2020). It is argued that circular economy can make companies resilient to such pandemic disruptions in the future (Sarkis, Cohen, Dewick, & Schröder, 2020), especially through the development of local production and supply networks. Circular economy is also being touted as an environmentally responsible approach to the post-pandemic economic renewal. Studies addressing such questions as the following would fit this theme:

- How can principles of circular economy make companies resilient to pandemic supply-chain disruptions?
- How can principles of circular economy foster local production and supply networks?
- In what ways can circularity provide companies with a buffer against economic downturns?

II. Tensions between entrenched ways of doing business and principles of circular economy

Circular economy necessitates fundamental transformations in adoptive companies' industrial processes and business models (Ferasso, Beliaeva, Kraus, Claus, & Ribeiro-Soriano, 2020). Such transformations can be impeded by financial, organizational, and technological factors (Masi, Kumar, Garza-Reyes, & Godsell, 2018; Vermunt, Negro, Verweij, Kuppens, & Hekkert, 2019). While it is important that such barriers are removed, what is perhaps even more important is to understand how adopting circular economy might conflict with established and entrenched ways of doing business in specific functional areas and what firm-level intangible competencies (e.g., knowledge and capabilities) and strategies are needed to resolve

those tensions. Representative research questions fitting this theme would be as follows:

- a. Are there entrenched practices within functional areas that conflict with adopting circular economy initiatives (e.g., in what ways do accounting principles or established marketing practices or human resource practices, etc., hinder adoption of circular economy and what changes are necessary in different functional domains)?
- b. What knowledge, competences, or (dynamic) capabilities do companies need to be able to implement circular economy initiatives?
- c. How do internal governance or coordination challenges of companies hinder the implementation of circular economy initiatives?

III. Complementarities between circular economy and other approaches to enact economywide changes

Alongside the circular economy, other approaches such as bioeconomy (DeBoer, Panwar, Kozak, & Cashore, 2020; El-Chichakli, von Braun, Lang, Barben, & Philp, 2016) and sharing economy (Richardson, 2015) also aim to enact economywide changes to protect the environment. Similar to circular economy, they are also backed by policy frameworks and have become increasingly popular in many parts of the world. Despite a common ideal and possible complementarity among them, these different approaches have grown in disparate directions and developed as separate fields of study even though their convergence would yield richer knowledge and produce better results. Examining the interactions among various approaches would offer answers to, among others, the following illustrative questions:

- a. How can circular economy initiatives be bolstered through integration with initiatives within bioeconomy and sharing economy?
- b. What company-level implications would result from an integrative approach?
- c. In which parts of the world would such integrative approaches be more desirable than others?

Combining the three thematic areas—(i) circular economy in a post-COVID-19 era, (ii) tensions between entrenched ways of doing business and principles of circular economy, and (iii) complementarities between circular economy and other approaches to enact economywide changes—this Special Issue aims to develop the necessary knowledge that will foster the uptake of circular economy principles among companies and advance circular economy as a mainstream way of doing business.

2 | SUBMISSION PROCESS AND DEADLINES

Interested authors are encouraged to submit an eight-page long initial draft (double spaced, 12 font size) to corresponding Guest Editor Rajat Panwar (panwarr@appstate.edu) through email by October 30, 2020. The Guest Editors will provide developmental feedback and

invite authors of suitable proposals to submit a full paper for the Special Issue. In addition, interested authors may contact the Guest Editors to discuss initial ideas for papers. While interested authors are encouraged to make use of the guidance of the Guest Editors before submitting full papers, it is not a requirement for submitting full papers.

The deadline for submission for full papers (including papers that received feedback on their initial drafts) is February 28, 2021. Authors should submit full papers via email to the corresponding guest co-editor Rajat Panwar (panwarr@appstate.edu). Papers should be prepared following the *Business Strategy and the Environment* author guidelines: <https://onlinelibrary.wiley.com/page/journal/10990836/homepage/forauthors.html>

All papers will be subjected to double-blind peer review in accordance with the policies of *Business Strategy and the Environment*.

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