

Chapter 10

Circularity in Portugal: Features of New Business Challenges

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ABSTRACT

The use of renewable energy and recycling products is one of the main achievements of organizations. The circular economy (CE) is a new concept which evolves out of a new management assumption in organizations based on recycling, reuse, and repurposing of products. The circular economy provides a framework for facing challenges and a guide for rethinking and redesigning the future. This chapter analyzes the Portuguese market for circular economy organizations based on discussion of the CE conceptual model. The circular economy is expected to contribute positively by introducing new methodologies for the production of raw materials, with new production processes and giving value to eco products. The challenge for Portuguese organizations is to create management “vectors” which promote networking innovation, labor, capital, and eco products. Overall, the conceptual model presented gives importance to Portuguese business decision making for sustainable consumption, which provides advancements in business for the green supply chain.

INTRODUCTION

The concept of the circular economy (CE) has gained momentum both among scholars and practitioners (Kirchherr et al., 2017:221). Business models and market dynamics in the circular economy are based on economic empirical or modelling approaches to understanding why and how companies or organizations are pursuing circular economy opportunities. The CE and the business models face a singularity

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of a new assumption on how to be efficient in “green” markets. The importance of this assumption is to give an opportunity to new products which will be related to the environment and sustainable production. However, it needs to draw on an efficient model which deals with the relationship between the social and economic impact, consumers and producers towards a new concept of “eco”. In this research article, the conceptual model for Portuguese organization is presented. In order to answer the research question: “Which are the most important vectors in circularity in Portugal?”, the methodology was based on the conceptual market framework where it was compared to the following vectors: positive and negative impact from changing to a CE model; stakeholders which are important for implementing the business model; uses of natural resources in the value chain; and market strategy. The goal is to identify the most important features in the Portuguese CE and build a conceptual model based on that statement. The article is divided into six main points: the CE concept, the circular conceptual model, the Portuguese organization and the circularity, results from the research, further development discussion about CE and a conclusion.

BACKGROUND

The objective of this study is to analyse the vectors which influence circularity in Portugal. This section will characterize the organisations and the conceptual model. This means that not only are the positive and negative impacts from using circularity analysed but also the stakeholders, the use of natural resources and market strategies which comprise the circular Portuguese conceptual model. The goal is to create an analogy between the organisations which use circular products and describe the conceptual model homogeneously from different sectors.

The Circular Economy

The term circular economy has both a linguistic and a descriptive meaning. Linguistically it is an antonym of a linear economy. Murray et al. (2017:371).

Definition of the Circular Economy

According to Boulding, K. (1966: 2), the circular economy is “a closed system, the outputs of all parts of the system is linked to the inputs of other parts. There are no inputs from outside and no outputs to the outside; indeed, there is no outside at all”. The closed system inside the organization allows re-use of resources to promote new products. The challenge is to create new products which can be re-used. In

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