
Guest editorial: Circular economy and entrepreneurship in emerging economies: opportunities and challenges

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The nuance circular economy (CE) is a contemporary attempt to rethink development broadly in a manner that integrates economic activity, social concerns and environmental wellness. It extends to an economic model in which planning, resourcing, procurement, production and reprocessing are innovatively designed and systematically managed to improve process and output for the purpose of maximizing ecosystem functioning and human well-being. The notion of circular economy is also viewed as an improved paradigm shift in the way that humans and the society coexist to prevent the depletion of resources, close energy and materials loops and facilitate sustainable development through its implementation at the micro (enterprises and consumers), meso (economic agents integrated in symbiosis) and macro (city, regions and governments) levels. The three dimensions of sustainability that the circular economy focuses on are: Economic, Social and Environmental, which are often called Sustainable Triangle (ST) or Sustainable Development Triangle (SDT) in the development literature.

Entrepreneurship comes with multiple opportunities and sustainability threats. For the opportunities, it provides humans and the society with array of products, services and technologies including prospect of future goods, better solutions to the vexing social and environmental problems and innovative services yet-to-be-discovered, created and exploited. Moreover, entrepreneurship provides enhanced revenue from economic and industrial activities, return on investment (RoI), foreign direct investment (FDI), employment opportunities, urbanization and increases in national income. At the other extreme, entrepreneurship poses sustainability threats to the society in the forms of depletion of natural resources and accumulation of industrial wastes across the globe. However, these sustainability threats have brought to the focus of practitioners and academics the need for new alternative approaches of sustainable entrepreneurship and business model innovation. Moreover, attempts to redress these threats have made the concept of a Circular Economy a front-burner issue in recent times. Economic growth or changes in GDP are considered to improve individuals' well-being and ensure a sustainable growth. Indeed, some international organizations such as the EU have adopted the circular economy principle. Circular economy conceptualizes a new economic system of change integrating business model innovation on one hand, and consumer behavior on the other, where both producers and consumers focus on reprocessing, restoring, renovating and recycling previously used materials and products. The aim of the circular economy is to preserve the value of the resources against the traditional approach of mass production of single products and constant innovations. Through this system, it is intended to pass from production–consumption–waste economic behavior to a production–consumption–reuse one, aiming not only for sustainable development through economic sufficiency but also for environmental and social life sustainability.

Embedding a circular model requires individuals, groups and nations to enforce cyclical and regenerative environmental innovations in the way society legislates, produces and



consumes both economic resources and associated products. By deliberately closing-up the energy and materials loops in entrepreneurship, the circular economy seeks to proactively eliminate all forms of waste (zero waste) and the continual use of economic resources through sustainable use of natural resources, including reusing, sharing and recycling of used products. Similarly, by closing-up the multi-loop supply chain system activities in entrepreneurship, the circular economy helps the society to optimize resource use by minimizing wastes, emissions of different forms, energy leakage and resource input, which all combined to support environmental/ecological sustainability. From the other side, it is important to have an effectiveness of institutional entrepreneurship which enables and impacts circular economy strategies oriented to main CE goals in a certain country. This might be a target for many developed counties, but it is a real struggle for the emerging ones.

The development literature linked the economic growth of Westerns countries and the emergence of China to the acceptance, exploration and implementation of the ideals of a circular economy. The circular economy is therefore a sustainable economic model that offers a new chance of innovation and integration between natural ecosystems, corporate businesses, people's daily lives and waste management in a complex ecosystem. Wastes of different types such as plastics, bottles, metals, organic materials and other nonorganic materials have become an integral part of people's daily life as a result of burgeoning industrial activities. However, the environmental threats posed by wastes are frightening. The decision by the international community to pursue the circular economy principles is guided by the need to create wealth, providing employment opportunities and ensuring social and ecological sustainability, which are all parts of the sustainable development goals (SDGs) as conceived by the United Nations. The need to redress existential threats posed by reckless use of natural resources and inability to manage wastes across the globe is urgent; the potential of circular entrepreneurship is high. The deliberate and conscious process of aligning all entrepreneurial initiatives and environmental opportunities to the circular economy principles is the focus of a Circular Entrepreneurship.

The interest of the researchers for this special issue was high, receiving valuable papers from which 10 were selected considering the topic addressed, the methods used and the results obtained which are relevant not only theoretically, but especially practically. The authors chose for research either the circular economy as a whole, or certain practical aspects from certain countries or regions.

Integrating circular economy strategies and business models: a systematic literature review

Authors Foroozanfar, Mohammad Hossein; Imanipour, Narges; Sajadi, Seyed Mojtaba

This paper made a review of the circular economy (CE) and business model (BM) literature. The main contribution of this manuscript is the proposed framework for the circular economy business model (CEBM) in emerging economies. In addition, the CE drivers were analyzed in the context of emerging economies taking into account the potential presented by the circular economy as a path toward sustainable development. The circular economy can be considered as an instrument to support economic growth without degrading the environment through a rational consumption of natural resources. The companies could prioritize the design of products and services to meet social and environmental conditions of economy taking into account the paradigm shift regarding value maximization for all categories of stakeholders and not just profit maximization for shareholders.

Examining the enablers of sustainable entrepreneurship – an interpretive structural modelling technique

Authors Gupta, Neha; Matharu, Manita

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Entrepreneurs are a significant force that can promote sustainable development by stimulating innovation and creativity, but also by addressing specific social and environmental challenges taking into account the climate change and also population growth, the intensification of urbanization and the structural changes generated by digitization on the labor market. Entrepreneurs can be encouraged and supported to adopt sustainable practices, thus contributing through specific methods to the promotion of sustainable development. The study used interpretive structural modelling to identify the enablers that favor the adoption of sustainable practices by companies. The main contribution of this article is to propose for an emerging economy a conceptual model for measuring sustainable entrepreneurial intention of the millennium generation.

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How start-ups in emerging economies embrace circular business models and contribute towards a circular economy

Authors Mehrotra, Sonia; Jaladi, Santosh Rupa

The paper used a qualitative case method and semistructured interviews with start-up founder promoters, and specific stakeholders like beneficiaries, employees and customers. The interviews were conducted in two Indian start-ups implicated in promotion of circular economy principles. The study demonstrated the importance of the paradigm shift of the business model that must be set up according to circular economy and sustainability principles. In addition, the consumers can play a critical role in business ecosystem; they can encourage the adoption of the principles of sustainable development by entrepreneurs through the purchase decisions that they start to base on social and environmental criteria, in addition to the classic economic criteria.

A systematic literature review on circular economy practices: challenges, opportunities and future trends

Authors Khan, Syed Abdul Rehman; Shah, Adeel; Yu, Zhang; Tanveer, Muhammad

The review was conducted to identify the CE drivers, CE barriers and definitions of CE: the authors observed that the concept is in a continuous evolution considering the multitude of determining factors. As the concerns of companies to apply CE principles grew, the interest of researchers in this subject intensified, most of the articles being published in the last decade. Quantitative studies like ReSOLVE and (“structural equation modeling”) are the most important tools used by researchers to analyze the phenomenon for different countries/ regions or groups of countries. In addition, the authors analyzed the impact of digital revolution on the opportunity to promote CE principles.

Towards innovation performance of SMEs: investigating the role of digital platforms, innovation culture and frugal innovation in emerging economies

Authors Khattak, Amira; Tabash, Mosab; Yousaf, Zahid; Radulescu, Magdalena; Nassani, Abdelmohsen; Haffar, Mohamed

The article is interesting taking into account the research gap identified and covered. The impact of digital platforms, frugal innovation and innovation culture on innovation performance was observed taking in account the necessity of survival of companies in crisis

times with many environmental, social, economic and technological challenges. Correlation, regression and bootstrap methods were used to process the data focused on SMEs companies from Pakistan.

Harmonizing multi-dimensional events that characterize tech start-up emergence in emerging economies: a systematic review

Authors Ajah, Emmanuel; Ononiwu, Chidi; Nche, Charles

Technical progress generates metamorphosis of the economic ecosystem, companies and their stakeholders having to adapt to the digital revolution. For this reason, the authors of this review paper have identified events that characterize tech start-up establishment in an emerging economy. In this way, readers have the opportunity to find out what are the factors that contribute to the emergence and development of digital ventures that have started to become important actors because they have high agility compared to traditional companies and offer fast, smart services at affordable prices.

Integrating the extended theory of planned behaviour and norm activation model to examine the effects of environmental practices among Malaysian companies

Authors Chan, Kar Hoong; Chong, Lee-Lee; Ng, Tuan Hock

Using structural equation modelling, the authors examine the antecedents to the environmental practices intention of managers from Malaysian listed companies and the impact of environmental practices behaviour on economic performance of selected entities.

In this way, the author integrated the extended theory of planned behaviour and norm activation model to improve the theoretical framework.

On a practical level, the article demonstrates the importance of the internal norms promoted in companies that shape the behavior of employees and that, in the end, generate a greater impact of companies on sustainable development.

Determinant factors of successful social entrepreneurship in the emerging circular economy of Lebanon: exploring the moderating role of NGOs

Authors El Chaarani, Hani; Raimi, Lukman

The paper focused on social entrepreneurship taking into account its potential as driving force for economic development in emerging economies like Lebanon. The analysis of determinant factors of successful social entrepreneurship and of mediating role of nongovernmental organizations (NGOs) in the success of social entrepreneurship were the main aims of the study. Using linear regression and structural equation modeling, the authors demonstrated the importance of environmental factors, psychological factors and prior experience as success factors of social entrepreneurship.

Corporate entrepreneurship and leadership theories; conceptual review

Authors Verma, Shruti; Mehta, Mita

The paper used systematic literature review and bibliometric analysis. This research found that Agile leadership and Complexity leadership framework contributed positively to the generation and promotion of CE in firms and created a conceptual model for the same. Also, a complementary bibliometric and keyword analysis of the selected studies is presented.

The determinants of Tunisian influencer-mompreneurs' success: an exploratory study of a new form of female web entrepreneurship on Instagram

Authors Boufares Tayaa, Siwar; Bouzaabia, Rym

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The topic of women's entrepreneurship in an emerging market is a new one, taking in account the increasing implications of women in economic activity. The authors made a qualitative exploratory study using through semistructured interviews. The emerging economy selected was Tunisia. This study is remarkable because the authors explored an emerging influential communication tool. Mother-influencers are a new category of economic actor, and their force as women entrepreneurs is stronger when details regarding private lives (including children information) are also a determinant of influencer-mompreneurs' success. This study, therefore, provides important information for companies that can reconfigure their relationship with customers.

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