



1. EXPLORING THE SYSTEM LEVEL

1.4 COLLABORATIVE AND CIRCULAR BUSINESS MODELS IN THE GLOBAL SOUTH

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Most of the population and economic growth in the next decades is expected to happen in the Global South, in regions such as Asia and sub-Saharan Africa. Understanding how to reconcile growth and sustainable development is crucial to achieving the global ambitions of being climate neutral and circular by 2050. Circular Economy (CE) has a pivotal role in ensuring that the growing production and consumption systems in the Global South are sustainable. The definition of CE from (Kirchherr et al., 2017) is useful to understand the challenges of the circular transition in both the Global South and Global North as it is focused on business models, the creation of multiple values and on operations on both company and more systemic levels:

“A circular economy describes an economic system that is based on business models which replace the ‘end-of-life’ concept with reducing, alternatively reusing, recycling and recovering materials in production/distribution and consumption processes, thus operating at the micro level (products, companies, consumers), meso level (eco-industrial parks) and macro level (city, region, nation and beyond), with the aim to accomplish sustainable development, which implies creating environmental quality, economic prosperity and social equity, to the benefit of current and future generations”.

Preston and Lehne (2017) wrote that most circular initiatives are taking place in the Global North and East Asia, although in recent years also nations in the Global South have set-up national CE action plans, for example in Chile and Vietnam. However, existing CE conceptualizations are based on formally organized developed markets. In practice, the Global South has informal low-income contexts which are rich in necessity-driven value retaining practices for materials and goods (Korsunova et al., 2022; Muchangos, 2021). For example waste pickers and people involved in home-based repair, reuse and repurpose activities, rank among the largest urban informal worker groups (Gutberlet, 2017). To reach the full potential of CE in the Global South requires knowledge of necessity-driven CE and informal sector integration.

Moreover, sustainable developments in the Global North and the Global South are linked via global supply chains in which the Global South provides much of the raw materials and manufacturing for products used in the Global North. (Barrie et al., 2022) warn against the ‘circularity divide’, i.e. ‘an acceleration of the circular transition in the Global North and retardation of the transition in the South, thereby increasing global inequities’.

A business model can be described as the rationale of how an organization, or network of organizations, creates, delivers and captures value and impacts stakeholders and environment (Haaker et al., 2017). The Ellen MacArthur Foundation (2012) stressed the importance of new business models as an enabler in the transition towards CE and (Hernández-Chea et al. (2021) stress the importance of understanding the role of business model innovations in stimulating sustainability transitions. Schröder et al. (2019) provide examples of CE practices and business models in Global South contexts in relation to (SMEs) and (Gabriel, 2019) states that the Global South is already home to a range of business model alternatives to economic growth, especially among SMEs.

This track explores what collaborative and circular business models are emerging in the Global South, what is driving and hindering such business models, and what the Global North can learn from these models. Contributions to this track can be about, but not limited to, the following topics and questions:

Guiding topics and questions:

- Informal sector integration (Barnes et al. (2022), Gall et al. (2020), Fei et al. (2016))
 - How can collaboration between informal, formal and public sector's strengthen circular activities in the global south?
 - How can business modelling facilitate this (e.g. collaborative business models)?
- Necessity-driven CE

- Current development and examples of circular business models in the Global South
- Global South business model alternatives to economic growth
- Connecting Global North and Global South circular strategies
- Global value chains and circular business models
- Business model innovation in the context of formal institutional voids (Colovic and Schruoffeneger (2021), Jabbour et al. (2020))
 - How are BMs in circular economy affected by formal institutional voids (both positively and negatively)?
 - How do actors try to fill these formal institutional voids?
- Sustainable entrepreneurship (Godfrey et al. (2017), Korsunova (2022))
 - How can sustainable entrepreneurship be stimulated in contexts of economic growth that decreases the need for necessity driven circularity?
- Circular business ecosystem (Peltola et al. (2016), Kanda et al. (2019), Ferronato et al. (2019))
 - What is the relationship between actor's business models, and how do these hinder or stimulate circular activities?
 - How do circular business ecosystems emerge and how are they hindered? How can they best be stimulated?
- Sustainability and economic growth
- CE models and rebound effects
- Bypassing 'linear lock-ins'
- What is a global agenda to support CE business models in the Global South?

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