



# CIRCULAR VENTURES IN LATIN AMERICA

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## **Circular ventures in Latin America**

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## PRESENTATION

This report highlights the work of circular entrepreneurs in Latin America, who have led their efforts to promote ideas, ways of making a living, developments, and dreams from different countries in the region. This information constitutes a starting point to identify initiatives that seek to transform the traditional practices of the linear economy from a sustainability perspective providing economic, social, and environmental value for the territories.

It is significant to systematise the different voices and experiences of the protagonists of their own circular venture stories, as they make it possible to construct a narrative about the paths of both the initiatives they have launched and the people who have made them possible.

This first source knowledge contributes to inspire other people, who are also going through similar situations, in the search for more environmentally aware economies and societies. Similarly, it informs those in decision-making positions at different levels in the public, private, academic, and non-governmental sectors.

In this sense, this report presents the results of the analysis of macro areas of action, that seek to promote and foster better conditions for circular ventures. For this purpose, the entrepreneur's speech is synthesised regarding the recommendations they make to the aforementioned sectors. Subsequently, the different types of challenges faced by circular ventures, in their various territorial realities and business development level. are described,

## METHODOLOGY

In order to learn about the development of circular ventures in Latin America and the trajectories of the entrepreneurs who lead them, a total of 64 transcribed interviews were analysed, dealing with initiatives in Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru, and Uruguay. This material amounts to more than 60 hours of interviews and nearly 1000 pages of transcription.

A qualitative content analysis was carried out in which 3002 quotations were coded using 42 codes which allowed to identify the main incident categories in the development of the circular ventures and the stories of their protagonists. The codes were defined in an emergent and synthetic way, in such a way that they made it possible to concentrate information regarding different areas and levels of depth or generality, which were subsequently linked in the analysis work. The latter responded to the need of generating inputs from these interviews for the formulation of recommendations and a characterisation of the entrepreneurs and their circular ventures.

The coding of the interviews was performed using the computer programme Atlas.ti. The codes and their respective citation numbers in alphabetical order correspond to: private sector support (137); public sector support (147); charity (31); value chain (56); life quality (82); trainings (136); customers (269); knowledge (255); corruption (20); challenges (728); take-off (62); circular economy (343); entrepreneurship (63); training (50); roles (72); gender (32); genesis (197); habits/awareness (158); impact (232); setting the tone (24); country goals (5); motivation (263); family business (70); SDGs (5); opportunities (79); country (61); pandemic (68); collaborative engagement (8); local pioneers (53); planning (14); profession/trade (83); suppliers (178); business recommendations

(204); government recommendations (269); own resources (51); networks (273); regulation (231); sector (64); health/healthy (10); economic sustainability (204); environmental sustainability (303); workers (136).

The qualitative nature of this analysis makes it possible to reveal aspects that are different from quantitative data, since it focuses on people's perceptions in their daily work, on personal, educational, territorial, and work-related aspects. The story narrated in the first person differs from metrics that aggregate multiple data categorised into variables. The qualitative does not seek statistical representativeness in a defined universe, but that which describes the qualities or characteristics in question, which in this case are the circular entrepreneurs' discourse. The stories they tell about their entrepreneurship highlight several aspects, according to their trajectories and contexts, as they come from different Latin American realities and have also worked for different periods of time in their current main activity.

## RECOMMENDATIONS TO THE STATE AND GOVERNMENT

All the entrepreneurs interviewed have recommendations for better and greater state and government support in relation to the development of circular enterprises. Some of the proposals aim at solving shortcomings observed in the public sector, others at dealing with areas or aspects which have not been addressed from a central perspective, and others at expanding the scope of action of sectoral portfolios. It is worth noting that this makes refers to different Latin American countries, nevertheless, they are relevant recommendations for different national realities.

Recommendations of various kinds are presented below, grouped under governance, taxation, state investment, training and support, greenwashing practices, and local governments.

### GOVERNANCE

Governance for the design of state policies and instruments, in addition to adequate capacities for their implementation, is a relevant issue in the international discussion on the circular economy. Governments need to prioritise it on the governmental agenda in order to generate the enabling public policy conditions that allow for the transformation of the productive and commercial matrix.

In this sense, the entrepreneurs observe a gap between the design and execution of regulatory frameworks, emphasising the need to improve the implementation of laws and regulations which, although they propose advances for local enterprises focused on environmental

sustainability, do not generate the intended impact because they are not adequately applied to local contexts and realities.

*They make a sort of regulation, but they never update it. Or it should be associated with technical standards or operating guidelines. And that's where, where ... like it lacks the revision, say, at the government level it should focus on the operability of this, 'cause there might be a perfect an amazing policy, but if there isn't an operative side which allows us to execute it, there's always that distortion and that great void, right? And, for me, I think, that right now, considering the current situation of our countries, the most important thing to focus on (D11).*

This identified gap is coherent with the results of the study “Moving Towards the Circular Economy: Opportunities and steps for Latin America, 2021” where the respondents presented statistically significant differences between the promulgation of circular economy regulations and the capacity to implement them.

Within this desired circular economy governance framework, the solution to the identified gaps would be to integrate all parties into the dialogue. This allows for the broadening of decision-making perspectives according to the needs and interests of entrepreneurs, funding agencies, regulators, and the interests of intermediate and final consumers. In addition, expectations should be graduated according to the stages of development of the various markets, which in Latin American and Caribbean countries have different characteristics.

*Because what usually happens is that, if governments are not interested, I as a company submit to comply with the legislation. But sometimes the government wants to force compliance with rules that don't make sense. The easiest thing to do is to create dialogue platforms leading to the creation and structure of a new regulation, where it can be implemented. Because for me it is useless to have a well-structured and complete regulation at a theoretical level, if in practice companies won't be able to implement it (D13).*

The integration of the various stakeholders, the process for the design, implementation, evaluation, and improvement of policies, strategies and instruments for the circular economy is a permanent recommendation of entities such as UNDP, OECD, Ellen McArthur Foundation, SITRA, EKLA, among others, which emphasise more participatory and engaging processes from the beginning of plans, programmes and projects<sup>1</sup>. In practical terms, the European Circular Economy Stakeholder Platform is an excellent example of the importance of the multi-stakeholder work.

It is worth noting that one of the criticisms to the state system is that it claims the inconsistency produced between the various requirements that state agencies impose on enterprises and, on the other hand, their actions in terms of public purchases and internal administration. The State is expected to be a driver through its direct action as an economic agent and to be the first to implement the desired changes, that is to say, it should have a solid internal circular economy plan and execute public procurement according to sustainability and environmental impact criteria. On the contrary, it is evident that State suppliers are still selected on price and not on circularity, since the latter is not a requirement but just a recommendation.

*That they consider the need for the State to be a consumer of the products coming from circularity. And just as there are quotas for people in different social or living conditions, there should be a quota within State purchases for materials that have gone through the efforts of entrepreneurs, so that they become a quality product again (D59).*

1. Some of the recommended documents:

- "Stakeholder Mapping Report and Recommendations for the Diffusion of Circularity Innovations in Supporting the Circular Economic Transition in Indonesia (2023), UNDP <https://www.undp.org/indonesia/publications/stakeholder-mapping-circular-economy>  
- Arsova, S.; Genovese, A.; Ketikidis, P.H.; Alberich, J.P.; Solomon, A. Implementing Regional Circular Economy Policies: A Proposed Living Constellation of Stakeholders. Sustainability 2021, 13, 4916. <https://doi.org/10.3390/su13094916>

In this respect, the recommendations of the document “Public Procurement for a Circular Economy”, published in 2017 by the European Commission serve as a guideline for sustainable and circular public procurement. Furthermore, the Ellen McArthur Foundation has published the “Circular Public Procurement: a framework for cities”(https://emf.git-book.io/circular-procurement-for-cities/). In the case of Latin America, Chile in 2023 has published a New Organic Law establishing that State bodies must include the Circular Economy in the procurement of goods and services<sup>2</sup>.

Having a circular economy model to implement would allow the State to reach sustainability standards in its practices, however this represents a considerable challenge. National environmental policies are relatively new in some countries in the region, as is the institutional framework that precedes them, including the creation of environmental ministries in several Latin American and Caribbean countries. At present, not all countries in the region have circular economy roadmaps designed or being implemented.

An important source of information to visualise the progress of public initiatives in circular economy is the platform “Visualisation of Public Initiatives in Circular Economy in Latin America and the Caribbean”, developed by EKLA-KAS, CircularTec, Celare, the Central University of Chile, and CIEC, where a total of 637 initiatives in the region can be observed as of 2023, showing a sustained growth since the platform was launched in 2021.

Some of the examples mentioned by the interviewees to increase the competitiveness of circular ventures, are that one of the main challenges for the national production and marketing of recycled materials and products is that the prices of imported non-recycled materials are considerably lower and could hide anti-competitive production

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2 Further information about the new Organic Law on: <https://www.paiscircular.cl/economia-circular/nueva-ley-establece-que-los-organismos-del-estado-deben-incluir-la-economia-circular-en-la-adquisicion-de-bienes-y-servicios/>

conditions at source, since it is difficult to establish whether there are cases of child labour, environmental depredation or precarious working conditions on which lower costs are obtained. Whereas recycled products of national origin have known traceability systems in the domestic market.

■ *I consider there should be regulations on import and export. Import of virgin versus recycled raw materials. (D10).*

Likewise, favouring the import of products and raw materials of circular origin, requires specific planning and regulation by the State, regarding all products marketed in the national territory. At the same time, generating market and regulatory conditions that allow for equal competition implies having specific sanctions and incentives for the different productive sectors. Although this is a recommendation that arose from entrepreneurs belonging to the recycled materials sector, it covers the national economy as a whole.

Such an objective, also requires international integration and a certain homologation of production and marketing standards. At the international level, there have been significant advances in multilateral agreements and conventions to which several countries in the region have subscribed. From these instruments, various ISO standards and regulations and examples of good practice are also derived, which entrepreneurs emphasise. In this regard, they state that efforts must be redoubled to avoid the fragmentation of policies and norms, which are then difficult to operationalise and can generate new inequalities, resulting in a negative impact on the diverse national realities.

■ *In the governments that propose these public policies or that propose these international conventions, they obviously need to go down to the level implementation and basic regulations, so that there is uniformity of rights and duties (D11).*

Therefore, every programme, policy and campaign must be accompanied by an impact assessment and constant evaluation, so that the necessary changes and adaptations can be made in order to achieve the proposed objectives. The entrepreneurs interviewed stated that, in most cases, officials from public agencies have approached them to establish conversations only in the first phases of design. However, it does not happen in the later stages, when the programmes have been through several functioning cycles, where there are not the same possibilities to raise new needs, updates, or adjustments to the existing ones.

## TAXATION

While a great variety of recommendations to the State are identified, there is one that is repeated considerably and that refers to the tax framework governing companies, as it does not distinguish according to whether they are linear or circular.

On the one hand, entrepreneurs argue that circular initiatives share characteristics with their linear counterparts, such as employment generation and productive diversification of the national economy. On the other hand, circular ventures mitigate the negative effects of the linear economy and focus their work on a triple impact: social, environmental, and economic. For this reason, they claim they should have certain tax incentives or advantages that consider this triple impact in the equation and reduce the tax burden they are subject to.

■ *It would require an exclusive regulatory framework for circular and, above all, for fiscal undertakings. (D52).*

Some consider that the state's interest in increasing revenue by taxing companies of all sizes prevails over the public interest in strengthening a system of entrepreneurship that moves towards circularity

*Because the State ends up becoming an unscrupulous businessman, that ends up only trying to get taxes from the entrepreneurs to support make ends meet, and he does not work either (D9).*

The relevance of tax incentives for the promotion of the Circular Economy has been addressed in several publications, including the “Circular Taxation Reflection Paper” published in 2021 by the European Commission<sup>3</sup> and the “Circular Taxation”<sup>4</sup> of the European Environment Bureau (EEB) in 2022.

## INVESTMENT

Another recommendation refers to the areas of State investment, stressing the demand to focus budgets on the renovation of infrastructure and equipment for the productive development of the circular economy. Although there is a greater global access to new technologies and patents that make it possible to automate and optimise recycling and reusing processes of various materials, in most cases in Latin America and the Caribbean, the work continues to be performed by hand or handicraft. This is due to the fact that circular enterprises do not have the necessary levels of capitalisation to invest in machinery and advanced technology.

*The first circle is, if we start imposing regulations, we often don't have the infrastructure to absorb those regulations. So, every time a government has to decide what to do with its resources, infrastructure for circularity is something that is said, but no resources are provided. In other words, there is no clear State policy [...] Environmentally, nobody says they won't do it, but in fact, they don't. (D62).*

3 The publication can be downloaded free of charge at the following link: [https://circular-economy.europa.eu/platform/sites/default/files/leadership\\_group\\_on\\_economic\\_incentives\\_-\\_circular\\_taxation\\_reflection\\_paper\\_2021.pdf](https://circular-economy.europa.eu/platform/sites/default/files/leadership_group_on_economic_incentives_-_circular_taxation_reflection_paper_2021.pdf)

4 The publication can be downloaded free of charge at the following link: <https://eeb.org/wp-content/uploads/2022/11/Circular-Taxation-study-EEB-Final->

There is a wide range of literature on the importance of public investment in driving the transition to the Circular Economy. Among these, the report “Mobilising Financing for the Circular Economy”, published in 2022 by UNCE<sup>5</sup> and, in the case of Latin America and the Caribbean, the “Unlocking Circular Economy Finance in LAC, of 2023 by UNEP<sup>6</sup> stand out.

## TRAINING

In addition, technology and infrastructure must always be accompanied by capacity building and training programmes at all levels since qualified staff in different skills are needed to work in a circular economy scenario. These staff needs to be constantly developing new processes and ways to recover and optimise resources, always with the lowest possible environmental impact.


Besides, from an early age with relevant training and support for challenges like the circular economy implies a long-term projection of a society capable of changing productive and commercial paradigms that are decades ahead, such as the linear economy.

*The issue of encouraging innovation from school [...] there are many things that the State can do beyond providing money. The issue of awakening f children’s interest in innovation, in setting up companies, because sometimes the State, I have seen it, I have seen some actions that it does, but very little. If this is instilled in children at school, I think it could be a very interesting generation of people who are thinking of business building business with impact (D46).*

5 The publication can be downloaded free of charge at the following link: [//une-ce.org/sites/default/files/2023-04/CIRCULAR-STEP%20Mobilizing%20Financing-%204.28.2023\\_o.pdf](https://une-ce.org/sites/default/files/2023-04/CIRCULAR-STEP%20Mobilizing%20Financing-%204.28.2023_o.pdf)

6 The publication can be downloaded free of charge at the following link: [file:///C:/Users/USUARIO/Downloads/Unlocking%20Circular%20Economy%20Finance%20in%20LAC\\_IDB-Invest-2023.pdf](file:///C:/Users/USUARIO/Downloads/Unlocking%20Circular%20Economy%20Finance%20in%20LAC_IDB-Invest-2023.pdf)

Consequently, the entrepreneurs value positively the opportunities that various state agents have offered them to finance training courses and training courses and trips abroad. In these instances, they have been able to observe industries and technological advances operating in different contexts, apart from sharing experiences and testimonies with their international peers. When there are no educational spaces to resort to go for continuous training, their work is made significantly more difficult, because they do not keep up to date and, above all, for not knowing areas of compliance which are demanded, but they are unaware of the areas of compliance that are required of them, but they do not have the necessary tools to perform adequately in them.



*The issue of capacity building, that is the training, of what it means to be a startup, because this is so new, that the same terms as capital, as seed capital, as acceleration, as the north star, I mean all those terms which are super 'gringos', there is no accompaniment to tell you which steps to follow, what is expected to happen, where you should knock on the door, when you can jump to the other side, who is in the Network in Latin America that can help you, that can guide you, and of course, we have had to learn the hard way, and luckily we have gained mentoring and we have gained accompanied processes, which have allowed us to get to know the world of entrepreneurship, because it is very new, it changes very quickly and no university gives you that (D57).*

In the study “Moving towards the Circular Economy: Opportunities and Steps for Latin America” 62% of respondents considered in 2021 that a weakness in the region was the lack of professionals with theoretical and practical knowledge in Circular Economy, which in 2023 remains a gap that hinders the advancement of the circular economy at the level of entrepreneurship.

## SUPPORT

Most of the support spaces are self-managed through local networks of entrepreneurs, while others have some funding from private entities that organise competitions and create communities of entrepreneurs, who are regularly invited to meetings, awards, and events. It is worth noting those cases when government agencies, such as business incubators, provide advice and mentoring, at specific stages in the development of their ventures,

*It's your turn to specialise and that takes a lot of time, and that time is not invested in the business itself, which is what at the end of the day you're supposed to do. So, if you have these supports, it is a lot quicker and easier, and you learn from people who already know it and you don't make mistakes that you could have avoided (D48).*


According to the experience of the entrepreneurs, the following step for this kind of initiative is to step up a system of structural support from the State which constantly develops mentoring programmes, where different sectors such as academia, industry, government, and civil society can converge.

For example, one of the main demands of entrepreneurs in this regard is support for the formulation of applications for competitive funds, as many of them have no previous experience and find the language of these financing instruments unfamiliar to them. On the other hand, in some countries they also criticise the offer of competitive funds aimed at entrepreneurs because they have concentrated on the exclusive search for technological developments, or specific populations like women, young people or vulnerable groups, leaving out the general population, who work in business lines without a central technological component.

Another aspect of this State structural support refers to the fact that, since micro and small entrepreneurs represent the basis of national economies, they should get more channels and opportunities to make

their work visible, especially those who seek this triple impact through circularity strategies. In general, they do not have many resources to position their brands or expand the coverage of their advertising campaigns, and therefore, they value the activities organised by different entities, where they can attend entrepreneurial fairs or make themselves known on different written and audiovisual platforms.

The entrepreneurs' constant need to prioritise their budgets has an impact on their capacity to link up effectively with the communities and their surroundings, as it is evident that people are unaware of the circular enterprises operating in their territories. Moreover, for circular entrepreneurs, this link with the communities is of vital importance, as it provides a space for imagination and creativity for the development of their products and services, according to people's needs and difficulties in their local contexts.

 They nullify the possibility of the solutions that we don't imagine, which are the real ones, because the community is the one that will give you the best voice and the best solution. So, integrating those voices with the tools is the way forward (D7).

Governments have more instruments to develop effective information and communication campaigns aimed at various target audiences. This makes it possible to encourage and motivate people to support circular economy initiatives and to integrate them into their chains of users, customers, suppliers, etc. Entrepreneurs emphasise the effect of campaigns associated, for instance, with the food labelling law, on the basis of which a labelling framework could be considered, according to carbon footprint and fair trade. This implies the formalisation of a regulatory framework that standardises labels and does not contribute to the so-called *greenwashing* which is widely denounced. Furthermore, it is proposed as an initiative that is not exclusive to a sector such as food, but transversal to all products and services, so that customers can decide their consumption preferences in an efficient and informed way.

*It could also be the government that would change the labelling law, that would begin to say what carbon footprint is being generated in clothes, or whether it uses dyes, or child labour, to begin to put, like the food stamps, beware, this garment uses dyes or it doesn't have, or it isn't fair trade, so they should have stamps so that we could choose, in other words, let me tell you that food has labels but some people keep choosing products with three seals, but at least they are visible, and the consumer knows that they are consuming with seals (D16).*

They also mention initiatives existing mainly in Europe, regarding standardised certification of what is a recycled or sustainable product or service and what is not. Besides, they refer to the mechanisms used in these European countries to finance certain aspects that are a great difficulty in our region, such as the logistics of transporting and collecting those products. In certain European countries there is a seal on packaging that certifies its elaboration from recycling, and that implies an additional fee to cover those associated logistical costs, so consumers choosing these products also pay accordingly.

## GREENWASHING

A heartfelt recommendation expressed by the interviewees, is the need for the State to sanction *greenwashing* practices and those companies that call themselves sustainable in order to differentiate themselves in the market, but do not really implement environmentally sustainable practices or processes, nor are they carbon neutral. This constitutes a demand not only for a better definition of sustainability standards, but also for greater efforts of control and transparency, in order to avoid affecting competitiveness of circular enterprises in the market.

In addition to that demand for control and transparency, there is a major difficulty in the labour market in Latin America and the Caribbean, namely the high levels of labour informality. This informality is expressed at the level of people who perform specific tasks within

the value chain and companies operating without the proper permits. This directly affects competitiveness, tax collection and price balances, but it also repercussions on dimensions such as social security and the working conditions of workers.

More specifically, regarding working conditions of duly formalised enterprises, some are calling for an expansion of the national vaccination plan and the types of vaccines it includes, thinking about base recyclers, whose working sanitary conditions are very risky. In spite of efforts being made with new legislations, in some countries, the medical costs associated to workers' health protection and care are not fully covered by the basic plans, which are accessed through public health benefits, their contributions and those by their employers. Moreover, the added difficulties of working with microplastics, hazardous substances, toxic gases and materials, require certain compensations and more complex health insurance. Certainly, this is a key recommendation to be considered by public health systems, in all countries where these issues are part of the national industry.

## LOCAL GOVERNMENTS

However, not all recommendations to the public sector are addressed to the central state apparatus. Another set of recommendations targets local governments, such as municipalities and regional governments. The greater proximity between companies and municipalities provides the opportunity to develop strategic alliances that allow for the support of development policies in a private-public working framework.

The most concrete way to progress in the circular economy is precisely through local governments since the distance between central and local levels of government is quite considerable in Latin American and Caribbean countries. While conversations on major national issues and challenges are held at the central level, they end up operating and materialising – or not – at the level of municipalities and regional governments.

Based on these experiences, they make a transversal recommendation to always involve all players in the dialogue, i.e., the citizens, academia, industry, civil society organisations, and the State. Through these alliances, it is possible to combine resources and capacities, which are sometimes asymmetrically distributed in the public and private sectors.

However, some of these alliances and good experiences run into political difficulties along the way, since they depend on the particular people who are holding certain positions at given times. This refers to the difficulty of projecting long-term policies, preventing them from being affected or truncated by changes in government or in the executive leadership of the enterprises.

*There is no possible system without the citizens in the middle, pushing the system. And the private and public sector doing their part, and waste and everything that has to do with the circular economy, if all the different parts are not involved, it doesn't escalate. If it doesn't escalate, there are problems, because it will never reach the level needed to improve things in the long term. In the long and medium term, because climate change is already here (D12).*

Although recycling is just one of the components of the circular economy, the entrepreneurs interviewed consider it as an area where local governments can implement various actions, always based on the recommendations of the circular enterprises and the citizens themselves. A change of mentality is needed with regard to waste and residues, which are normally understood as waste, but which should be seen as materials with a commercial value in the market. Another basic condition for progress in recycling at the municipal level is to provide people with equal opportunities or rights of access to recycling services, regardless of whether they live in affluent or vulnerable sectors of their localities.

In order for recycling service providers to operate under optimal conditions, both the public and the industry must have knowledge and

play an active role, especially in the separation of waste at source, as this avoids damaging the entire recycling chain. Given that municipalities are responsible for the disposal of household waste, respondents recommend that municipalities implement a system that separates commercial and industrial waste management from residential one.

Most municipalities charge a rubbish collection tax on residents of the community; however, respondents suggested that this tax should be higher for industries. This would make it possible to finance a specific collection service for businesses, including stricter requirements for separation and sorting selection of materials.

*And let's have unified regulations in the country, in all municipalities where they are forced to make programmes and efforts in order to separate recyclable and non-recyclable waste at source. If you separate waste at source, then you can take it to a preparation or segregation plant to be recycled, but if at source it's already mixed in the rubbish lorry with the organic waste and all that, the product is lost, it loses quality. So, that kind of regulation should exist and be easy to implement in order to raise more awareness (D23).*

This is a concrete example of measures that can be planned and implemented by municipalities. In this sense, circular entrepreneurs recommend that all sorts of municipal measures and challenges should be preferably proposed on a limited scale and scope, so that they can also be accomplished within a limited period of time. It's all about establishing simple and standardised norms that are feasible in every context.

*Exactly, defining clear, very simple rules. Do not try to do something perfect, like it is very often said "let's make a programme, and it needs to be like in the first world". No, no, let's do something that suits us, simple, that can be applied and executed, and later we give the responsibility to the respective institutions and organisers to implement and comply with them (D23).*

Other recommendations to foster the circular economy by local governments, relate to the need of speeding up the processing of permits and licenses; establishing traceability of the volume and types of recycled materials to be considered as direct saving in waste management going to landfills, and searching for local suppliers for the improvement of public spaces, bringing communities closer to diverse circular solutions. For example, by installing recreational furniture in public squares, elaborated under circularity frameworks, or building emergency housing with recycled materials, people can witness a concrete material result of recycling plastic, which are collected at clean points or removed thanks to household waste management, all of which provides value to their own communities.

*The same concept is to be done with plastic wood, because it's a circular economy concept, all the furniture that is manufactured, for example, for Town Halls, or parks, has to be of circular economy, and local economy origin, right?, that is one of our goals. I think that this should happen in all countries, because that way you encourage the use of raw materials, and generate employment within your own country (D39).*

Yet, the enabling conditions for the circular economy usually come from the international sphere, via central decision-making in the hands of States. However, they need to be encouraged just as strongly at the local level, even at the micro level, starting at the level of private homes, neighbourhoods, and municipalities.

*That their public policies and discourse are aimed at creating a more favourable ecosystem environment for these industries to develop, and to include, within their projections and lines of action, the environmental issue focused on the circular economy (D5).*

Finally, circular entrepreneurs recommend to local governments that they place their trust in private and local ventures. On several occasions, they have found it easier to lead transformation initiatives from the private sphere, so that can eventually be correlated in the sector, arguing that changes have not always been generated from the public to the private sector. Therefore, both sectors must support each other to achieve a real transformation, towards a more environmentally sustainable production model.

## RECOMMENDATIONS TO COMPANIES

As circular entrepreneurs with diverse backgrounds and experiences of entrepreneurship, they put forward a number of recommendations to other businesspeople of different capacities and areas, to encourage the development of existing circular initiatives, as well as linear economies that transition to circularity.

### AWARENESS AND RESPONSIBILITY

The first and most elemental recommendation is that they become aware of and take responsibility for the environmental impact they cause when placing their products and services on the market. Acknowledging this starting point for an effective transformation towards sustainability, there are multiple levels of action and scope.

First of all, they must observe their entire productive process in the search to improve procedures of various types, from the details to the most significant ones. It is not simply a matter of hiring certain services to ignore the root of the problem or what causes the need for that service in the first place. They recommend exploring different business models, not sticking to the one that seems to be closest to you, or that you have inherited or traditionally copied from another company. They should come up with a business model that is more effective in fulfilling sustainability purposes, without sacrificing their economic profitability.

*Understanding that the production process is not merely what happens inside a building in a company, but that it starts with the supplies and ends when that material has finished its life cycle. Companies, I think*

that it is a matter of adapting to what is coming, they will necessarily have to understand the entire life cycle, and from there a lot will be generated, many business lines are being generated (12).

## METRICS

At the same time, they recommend that enterprises implement metrics and systems to measure their carbon footprint, energy consumption and pollution or environmental impact derived from their production process. Traceability is a matter of international interest in the circular economy. With greater clarity on the effects caused, a more diverse portfolio of potential solutions can be considered. Nevertheless, the challenge is not to fall into the fragmentation of the productive activity, multiplying the items or producing new developments, but to keep the initial focus of the business, so as to make the changes that are considered convenient and feasible.

From this reflective exercise, spaces are generated to learn about eco-design and its uses as a tool for transforming productive and commercial areas. The purpose is to develop local solutions through eco-design, from the early stages of the enterprise, avoiding starting by looking for sophisticated imported solutions, as they can affect the economic sustainability of the productive process. In this regard, some recommend that, before making decisions, the ideal is to make the effort to identify enterprises which can provide certain sustainable solutions.

The main call made by circular entrepreneurs is for companies to become agents of change towards sustainability, showing that this work can be understood as a tool for competitiveness in the market. Positioning sustainability and fostering business dialogue around this goal is one of the development opportunities that countries have to strengthen their productive and commercial system.

*We care for the environment, we care for people, we offer opportunities. Perfect, but you can generate resources for yourself, as well. I see it from the point of view of the entrepreneur, who is always looking to generate profits, there's business in the circular economy, and there will be more every time. Because we are all becoming more aware and the project, the enterprise, the product that takes care of the environment is becoming more and more valued (D25).*

This implies that companies should allocate resources to invest in research, development, and innovation. This recommendation is one of the most strongly felt demands within certain areas of the circular economy, given that some sectors have fallen behind in technological advances, having a great deal of manual and artisanal processes. This is why entrepreneurs value positively the instances when they can share experiences and receive feedback from other companies that have transitioned the changes and explain to them how to keep on working.

The discussion on circular economy metrics has led to the development of various indicators that have not reached consensus at the international level, yet. Examples of which are those provided by the World Business Council for the Sustainable Development (WBCSD) through the “Circular Transition Indicators v4.0” of 2023<sup>7</sup>, or the “Circular Metrics for Business” document of “Circle Economy” of 2020<sup>8</sup>.

7 The publication can be downloaded free of charge at the following link: <https://www.wbcds.org/Programs/Circular-Economy/Metrics-Measurement/Resources/Circular-Transition-Indicators-v4.0-Metrics-for-business-by-business>

8 The publication can be downloaded free of charge at the following link: [https://as-sets-global.website-files.com/5d26d80e8836af2d12ed1269/5faa4d272e1a82a1d9126772\\_20201029%20-%20BCG%20Metrics%20-%20White%20Papers%20-%20The%20Landscape%20-%202010\\_x\\_297\\_mm%20-%20bleed\\_3\\_mm.pdf](https://as-sets-global.website-files.com/5d26d80e8836af2d12ed1269/5faa4d272e1a82a1d9126772_20201029%20-%20BCG%20Metrics%20-%20White%20Papers%20-%20The%20Landscape%20-%202010_x_297_mm%20-%20bleed_3_mm.pdf)

## SUPPLIERS

Other recommendations to companies are related to their suppliers, as they can encourage them to be more environmentally sustainable or prefer to work with other companies with better performance on this criterion. They also point out that medium and large companies should redouble their efforts to provide opportunities to suppliers that are still start-ups, and not only work with those that are already consolidated in the market. Besides, one of the major entry barriers to becoming suppliers to large or multi-national companies is that they take up to 120 days to pay, whereas small circular ventures need to be paid within a maximum of 30 days, in order to have enough capital to operate.

*They increasingly require partners and allies that allow them to take actions towards sustainability and, isn't actually that the role of the entrepreneur? And well, it's a joint task, because you can also be a supplier for these companies, but also, at the end of the day, you are being an agent of change, a change of mentality and joint work towards sustainability, and you are also supporting this transition (D58).*

On the other hand, the entry of foreign suppliers from countries with more consolidated sustainability practices has meant an indirect improvement in local labour standards. These foreign companies are governed by an international regulatory framework with higher requirements, which they impose on local suppliers or clients.

Another challenge regarding the suppliers of circular ventures is that, if the latter are concentrated or limited to a reduced number of supplier alternatives, that does not make it possible to ensure a consistent sufficient flow of materials. For example, for the recycling industry that transforms waste into raw materials, circular ventures prefer to work with large industrial volumes of waste to guarantee enough stock.

Apart from that, you have strong industries that bring us foreign regulations that perhaps we wouldn't have been able to have them so quickly or so easily, and they start regulating and auditing us, and they tell us, look, on behalf of Coca-Cola's sustainability, you should comply with all of this. Then, of course, we adopt it, we include it in our system, we get regulated, and I feel that they are globally standardising the players, adapting themselves to the game. So, this has also been very, very helpful, because then our role is , they systematise us, we systematise our allies, so we have a local recycling industry that is moving forward (D10).

On the other hand, fighting informality is one of the recurring recommendations, for governments as well as for companies. It is argued that some companies do not exclusively call on authorised ventures or individuals in order to carry out certain actions or provide certain services, but rather they hire the most inexpensive ones, which often happens because they are not formalised.

The role of suppliers in the circular economy has been addressed in different works, for example, the Ellen McArthur Foundation published "Building a Circular Supply Chain" in 2023<sup>9</sup>. Certain practical examples are also beginning to emerge, like that of the Doña Ines de Collahuasi mining company in Tarapaca Chile, with its change in the contract model for suppliers where a circularity percentage<sup>10</sup> is required, or the case of Neptuno Pumps<sup>11</sup>, a well-documented case of a circular supplier model.


9 The publication can be downloaded free of charge at the following link: <file:///C:/Users/USUARIO/Downloads/Building%20a%20circular%20supply%20chain.pdf>

10 The publication can be downloaded free of charge at the following link: <https://www.collahuasi.cl/collahuasi-se-transforma-en-la-primera-minera-en-incorporar-la-economia-circular-en-la-compra-de-bienes-y-contratos-de-servicios/>

11 The publication can be downloaded free of charge at the following link: [https://www.oneplanetnetwork.org/sites/default/files/from-crm/o4-caso\\_nep\\_v5.pdf](https://www.oneplanetnetwork.org/sites/default/files/from-crm/o4-caso_nep_v5.pdf)

## CONSUMERS

As well as increasing the demands on their suppliers, entrepreneurs recognise that there is a demand to adapt to new requirements from their clients, which also imposes certain difficulties. These requirements throughout their productive processes come from both their intermediate and final consumers.



*It is a duty and, besides, it is a trend if they want to remain in the market, we are already seeing how consumers are demanding for greener brands, and the coming new consumers, the generations that are coming are going to demand for more, so they definitely have to start acting (D14).*

In this sense, the interviewees put forward a greater number of recommendations to companies in the waste management area. They indicate that one of the most common shortcomings in the markets is to have better internal logistics for resource and waste and management. Generally, enterprises start with responsible management of all types of resources, but then do not move on to eco-design or more complex challenges. For example, they get stuck on basic input changes for illumination, energy consumption, water use, or sorting of recyclable materials.

However, it becomes more difficult to make those same companies financially responsible for the final disposal of their waste, despite recent legislative advances implemented. In contexts where there is no legislation requiring them to pay for the responsible disposal of waste, and therefore no enforcement with associated sanctioning powers, companies do not allocate budgets for this purpose.

## COOPERATIVE WORK

Meanwhile, they acknowledge the need for support up among circular ventures and the responsibility of larger or older enterprises to motivate those coming after them. They indicate that some initiatives are lost early on, due to reasons such as the fear of making mistakes when starting an enterprise, or of leaving a safer job to devote more time to the venture. Most entrepreneurs gave up their jobs at some point, which meant work instability and a considerable loss of income at the beginning.

Consequently, in order to strengthen and integrate a national system of circular entrepreneurship, it is required a greater network of trust between companies that enable a platform of activities and initiatives that, in turn, add value to the territories and are oriented towards a triple economic, social, and environmental impact.

*My recommendation would be to generate contact networks, start seeing, because it happens to us a lot when we start, every problem we tackle we try to reinvent the wheel, and many of the problems we face, have already been faced by someone else. Being able to learn from each other is much easier, the road becomes easier, so having a community where I give and take, and we of support each other is really good (D16).*

Sharing experiences and expectations among peers allows them to share the barriers being faced and try to overcome them together. If this goal is attained, everyone can benefit and learn to work as a team. This does not mean setting aside the commercial competitiveness existing within the market, but rather generating better enabling conditions for the local economy growth, through circularity efforts.

As an example of collaborative initiatives, they propose to set a quota of individual contributions per company, to form a financing fund for new ventures in their early stages. They also point out that it is possible to implement, in lower scales, certain exchange schemes or barter as non-pecuniary support mechanisms.

Additionally, the generation of this network of trust between circular ventures may prevent the generation of opportunities for competitive advantages through widely rejected practices, such as the greenwashing previously mentioned. However, any area of cooperation must be careful not to run against free competition laws that have been designed keeping a linear economy in mind, by interpreting acts of cooperation as collusion.

Lastly, any collective participation strategy must be inclusive, leaving no one behind, neither in terms of enterprises nor players within the value chain. Unfortunately, base recyclers have long found themselves in this situation of vulnerability. For this reason, circular ventures have made sure that larger companies do not bypass intermediaries like them, by trying to negotiate directly between companies, as this generates greater precariousness for these players in the value chain.

## INTERNAL DIMENSION

Together with the need for more training and capacity building described above, it is necessary for companies to overcome their internal lack of knowledge about how to generate continuous improvement processes in circularity. A huge internal effort is needed within companies to make them aware of what is being done in terms of circularity and thus involve their staff in this purpose. To this end, they recommend that sustainability has to be placed at the centre of decision-making, and from there, permeate different areas.

In this sense, enterprises must become agents leading the necessary changes, opening spaces to present potential solutions developed internally. The aim is to prevent these opportunities from depending on the will or interest of specific areas in the company or employees prone to hire these services. On the contrary, it needs to be integrated as part of the company policies themselves. Moreover, social, and environmental responsibility must be instilled in workers, both in their daily work as well as in their family life.

*Commitment to creativity and innovation coming definitely from the top of the company, then I would tell that manager, that big company owner to make his/her department focused on that (D1).*

It is important to remark that certain private companies have promoted initiatives that have lasted over time and are a role model that circular entrepreneurs recommend other companies to follow. Such is the case of the “Tecla Caja Los Andes” or “Work Cafe Santander”. These programmes have allowed them to integrate networks, to have recognition and workspaces, with the necessary conditions to continue developing associative work.


They also say that it is important to keep updated with global trends in sustainability. For example, learning how to link them with marketing strategies, as they recognise having clear shortcomings in that area, since they do not normally prioritise it in their budgets. Furthermore, they recommend showing their customers how this triple impact is produced through the circular economy, how the enabling technologies work, and why their investments in circularity are satisfying for them. According to their comments, that is the best image they have been able to project to their customers.

*Being able to express or share the satisfaction you get from being involved in a project like this. So, if each company, within its possibilities, does what it is supposed to do to make it a little more circular, or to take care of its waste, it may mean an investment, but I think the satisfaction is worth that investment. And most of all, the fact that the public gets to know about your company, is the best image your company can have (D17).*

As described earlier, another widespread shortcoming inside companies, is the fact that they do not adequately measure their waste. Consequently, they cannot adequately estimate this issue within their organisations. This task certainly requires the participation of all the areas that make up the companies.

Although the entrepreneurs advocate a greater focus on sustainability in the actions of the companies, they do not neglect the idea that any circular venture must be equally sustainable in economic terms. According to them, this profitability is threatened by the possibility that new companies, with innovative ideas and better solutions may emerge, since they could cause their local competition to go bankrupt.

Therefore, the recommendation is that companies should not wait for changes to take place first in other spheres, such as policy and regulatory frameworks, because if they do not begin the transformation now, they run the risk of being late to new trends. Actions to adapt to a world in constant change must be carried out in a joint and participatory manner, both internally in companies and in territorial systems of circular ventures.



*I believe all companies must understand that we are no longer at the same point we have been for the last 40 years, but that we really are at a milestone where many things need to be reinvented, products, services, and the economy itself. And that is something that is already happening, so the first ones to realise that and be able to adapt, will be the ones that can double or triple the amount of life they already have in the market (D34).*

## CHALLENGES OF THE CIRCULAR VENTURES

The various adverse circumstances can be expressed in terms of obstacles, barriers, weaknesses, and many other names; however, in this study we have chosen to use the term challenges of circular ventures. Faced with a challenge, the call is to deal with it and to join efforts to solve it, considering lessons learned and experiences that will take on a particular value in future situations. In addition, the perception of challenges and the difficulty they present for circular entrepreneurs, tends to change according to the stage of the venture, being perceived in a more complicated way at the beginning of its development.

In general terms, the challenges of any circular venture are related to the possibility of opening new paths, breaking certain established paradigms, like that of the linear economy, and searching for a wide range of solutions for sustainability. In sum, it is all about generating a change in society, at a productive and commercial level, but also in people's habits and awareness due to the damage that can be caused to ecosystems and the environment.

In order to present the challenges in an orderly manner, they have been organised into general categories, such as economic, productive, commercial, socio-cultural, political, knowledge, and personal challenges, which are described below.


### ECONOMIC

Economic challenges are the main ones in the development of circular ventures, since the initiatives must be sustainable and, at the same time, profitable to survive over time. They recognise that, in general, the

companies with which they can trade as suppliers have a short-term perspective as they are not likely to project their investments in the long-term but are constantly in search for immediate monetary returns. It is in this situation that they propose solutions and certain changes in their processes, with the aim of moving towards sustainability.

One characteristic of the genesis and early stages of a circular venture is that it is carried out in a solitary way, or among very few partners, so that one person tends to concentrate all the various tasks. Even according to their testimonies, they began their ventures on a part-time basis, as they kept other jobs to ensure stable incomes. Therefore, a constant challenge is to be able to increase the number of people working in the enterprise, so as to cover a larger number of tasks to be carried out. Moreover, at the beginning they do not always manage to pay market-rate salaries to their employees, what makes it difficult to find and keep people willing to work with them.

In terms of resources, the challenge is to have the necessary infrastructure and technology to generate value throughout the productive chain. In the search for capital, many do not succeed in overcoming the credit barriers imposed by commercial banks, which is why they value the work job carried out by business incubators, that support the foundations for the appearance of new ventures. Another difficulty is that they fail to qualify for most public funding tenders, as not all initiatives have a strong or predominant technological component.

 *We struggle to find investment funds or players supporting the circular economy. Right now, there is no circular economy thematic fund, such as that, and, on the other hand, the size of the circular economy market is pretty small, and it needs to grow to be more attractive for different investment funds (D27).*

Due to the lack of capital, in times of crisis, they have been forced to reduce part of the business. They even report having had, on several occasions, well-founded doubts about the real possibility of continuing their ventures.

## PRODUCTIVE

Circular ventures face multiple production challenges on a regular basis, depending on the sector they belong to. A transversal challenge is the difficulty of setting up a business with a circular design from the start, given all the knowledge and technology involved. Added to this is the challenge of reaching competitive prices based on circularity, compared to the market prices established in a linear economy for similar products and services.

*If you, the first solution you give is not a solution, that is somehow economically appropriate but was not thought as circularity, then it is installed as something circularity has to overcome, or defeat. Whereas [...] the one who thought about it for the first time, in a circular way, makes it easier all the way for later (D61).*

Regarding the interaction with different intermediate and final customers or consumers, they point out that they frequently face the challenge of developing and producing customised solutions for each reality. Another difficulty has to do with keeping enough stock to meet demand and, besides, trying to expand the range of products and services offered. Being small in size, they also find it difficult to access certain services at different stages of the venture, as they do not prove to be an attractive client for other companies.

Other productive challenges mentioned above refer to the imperative of adapting to the environmental production requirements of multinational companies, due to the fact that they work with standards that are usually stricter than those prevailing in Latin America and the Caribbean. Furthermore, they must overcome the difficulty of the certification and licensing processes required to be able to operate and trade as an established circular company.

In terms of technology, for example, some entrepreneurs identify the barrier of not being able to access the necessary technology for the adequate final disposal of all their waste. Others refer to the difficulty

of having a fleet of electric vehicles which would allow them to considerably reduce their carbon footprint.

Regarding employees, some ventures have focused their social impact working with women or vulnerable groups, such as prisoners or people who have served a sentence. This implies the challenge of operating and maintaining constant levels of productivity, since, in their experience, they are not certain that these workers will attend daily to perform their duties.

In cases where employees work with materials that are hazardous to health, the sanitary risk they are exposed to is a major challenge, as they have to handle, for example, microplastics and dangerous substances.

Moreover, trying to compensate the people working with that, because they are in contact with microplastics, and it is rather complex to work with waste. Even though we take all possible precautions, it is a job that we understand has to be well valued (D59).

Finally, among the circular ventures dedicated to recycling, there is the barrier that companies and industries are reluctant to pay for the waste management service they provide. Regardless of the type of industry supplying waste, they consider that they should not have to spend part of their budget on waste management. They argue that the enterprises should be able to finance their activity from the commercialisation of raw materials and new products obtained by recycling their waste.

## COMMERCIAL

Although the commercial challenges are also multiple and varied, depending on the type of the circular ventures, it is worth noting some of the transversal difficulties mentioned by the entrepreneurs interviewed.

The first is that they do not have enough budget to cover or properly include the area of dissemination and advertising of their products

and services. A minority of the circular ventures have qualified staff exclusively dedicated to these purposes.

*We don't have a strong enough staff to have one person to manage all our social networks, our different digital sales, and our product portfolios. So, this is an ailment that all of us small entrepreneurs have, and that makes us very afraid to invest. Small entrepreneurs are very afraid to invest, we want to see the results first, before we invest, I mean, I want to sell first before I pay the seller (D3).*

Secondly, when ventures integrate digital commerce, through online platforms or web sales of products and services, they find that a significant part of their target audience does not trust these means of marketing. These clients express various reasons why they prefer physical or in-person purchases, such as the fear of being swindled, being a victim of misuse of bank details or not receiving the exact product, according to the advertised conditions.


*After the pandemic there was a boom in online shopping, but people are still very afraid of being swindled, of being sold something that is not true, or that is a lie (D45).*

Thirdly, another difficulty in terms of trust arises when building bridges with other similar circular economy ventures. Occasionally, they fail to be seen as a complementary solution, and not simply as a competition or threat, which makes it hard to forge collaborative links and business alliances.

Fourth, entrepreneurs state that the circular economy market is still small in Latin America and the Caribbean. As a consequence, they have the constant commercial challenge of opening new markets and lines of business, associated with the interests they find in other industries or companies. They make permanent efforts to expand the sales coverage of their products and services and, similarly, in several cases they also consider the possibility of exporting them to international markets in

the region. The greatest difficulty when exporting is that some of the products are relatively new and do not have an established framework for operation and regulation, which makes it difficult to obtain permits and to be clear about the requirements needed to bring them into each market.

Finally, with regard to their clients and consumers, they indicate that they also need them to demand more from the State to achieve significant progress towards the sustainability of trade. Nevertheless, they recognise that it is sometimes difficult to keep up with people's expectations, especially in the early stages of circular ventures.

 *And then we had a lot of exposure, that was also very hard, because people's expectations were not at the level of what we could do at that time (D34).*

One of the business strategies that proved to be effective is to offer the development of partial solutions, to establish an initial relationship with a new customer. They even offer a better price to the first customer who is willing to finance a solution which is not yet available in their field or competition.

## SOCIO-CULTURAL

Amongst the challenges identified from the reality of circular ventures, those of a socio-cultural nature are perhaps the most diverse. The interviewees state that one of the greatest barriers to accessing markets in the region is the lack of environmental awareness, which is widespread in society, even though this situation is changing at an increasingly rapid pace.

In addition, they identify prejudices that affect the actual knowledge of sustainable products and services, such as, for example, that sustainability is commonly associated with lower quality or lower price. They also perceive that the valuation of sustainable activities varies

widely in the societies they are immersed. Even in some places, circular ventures are not seen as productive companies or activities, but only as a hobby.

Entrepreneurs observe that, generally, concern for the environment in consumer practices is present when people have already covered their basic needs. This implies that sustainability and circularity tend to be associated with more well-off sectors. Added to this socio-economic gap, there is also a generational gap in the attitude towards sustainability. Younger people are more willing to change their consumption habits, towards more sustainable products, but they do not necessarily have the greatest purchasing power to do so. A third gap is the gender one, where it is perceived that entrepreneurs do not trust companies run by women in the same way, which is why it has been hard for women to consolidate their position in the business world.

According to the interviewees, Latin America and the Caribbean have characteristics that hinder the establishment of diverse lines of business. Some of these have been mentioned, such as informality in the economy, which is quite widespread in certain areas, and significantly affects competitiveness. Likewise, the inability to ensure the absence of child labour in value chains due to the precariousness present in some national realities. Or the criminalisation of basic recyclers when they try to trade materials stolen from other companies, or objects from public space and heritage.

To deal with some of these challenges, circular entrepreneurs have promoted certain mechanisms. These include, for example, the use of a social currency to encourage people to recycle, through a system of payment associated with certain benefits. Other entrepreneurs have emphasised their contribution to global issues, such as the housing shortage, by providing solutions that have a direct impact on the most vulnerable local communities. Others are constantly seeking to position themselves as regional leaders, producing what does not yet exist in their local markets, promoting innovation processes or adopting sustainable solutions.

Associativity is also described as a major challenge for circular ventures, which express the need to generate alliances between companies that can promote each other. Generally, they consider there is a lack of meeting and exchange spaces between circular entrepreneurs, which would allow them to connect related industries, even beyond national borders.

*Knowing also who your competition is, maybe you can generate instances that allow you to be more efficient, to get to know what others do, how they improved, what they do well, what they do wrong, how you manage to generate contact with companies that are looking for you, and that we don't find, because there is nowhere to meet (D28).*

They claim that they do not find it easy to establish a link with companies with essentially linear economies, because they feel misunderstood and do not share many of their business and environmental development goals.

*Apart from that, we do workshops, meetings with volunteers, we also make donations of things the community asks for, there is a whole issue behind it, which when you get together with people who only do business, they don't understand (D34).*

Another obstacle to establishing alliances with companies from liberal economies is that the latter do not want to be linked to circularity, because that implies that they would be publicly acknowledging the environmental damage they produce. Instead, they have been long committed to hiding their harmful effects on the environment.

*We have found that by being so disruptive and having so much reach has often limited our alliances, because if a company that generates plastic makes an alliance with us to recover it, it is publicly assuming that it is generating a problem, so it is better not to show alliance with a project that is to mitigate the effects of plastic, because I am assuming that I am generating it (D52).*

Finally, there is an evident cultural gap when working with indigenous or native families. In certain circumstances, this constitutes a productive challenge in business lines based on ancestral knowledge, but which, at the same time, enhances the added value of these products.

*Working with native communities is a big issue, because they are people who have a different perception and a different culture, and it depends a lot on how that relationship is forged, so we also partnered with many local organisations, which helped us a lot to reach these families (D46).*

## POLITICAL

Although circular ventures are anchored in the economic sphere, they also face political challenges. Among their purposes, interviewed entrepreneurs intend to have an impact on the definition of national public policies, mainly at the sectoral level, in the ministries of environment or finance. They see this as a way to both decisively strengthen circular initiatives, and to reduce regulatory and tax barriers.

On the other hand, they refer to various difficulties they have had, for example, in giving continuity to associative projects when there are changes of authorities, or in lobbying, like other entrepreneurs, because they do not have the same tools or enough time. Similarly, they must deal with obstacles due to the corruption they observe in decision-making spaces, the lengthy bureaucratic processes, and the need to create technical norms when they have not been previously established, which they want to be approved and implemented in time and form.

In political terms, the great challenge for promoting circular initiatives is to expand the dialogue and involve more sectors and actors to achieve the agreed purposes. In turn, entrepreneurs point out that, in order to access greater opportunities for growth and financing, they require to develop a solid business strategy that can be replicated in other contexts, an element that most of them still do not have.

At the local government level, as mentioned in the recommendations, several circular ventures are trying to encourage their municipalities to become part of circularity initiatives, especially those working with waste. It is worth remembering that the collection and management of household waste is the exclusive responsibility of municipalities.

*Promote recycling, the circular economy and corporate social responsibility, involving municipalities, business, the media, and civil society in the process, with the aim of establishing a culture of recycling that will generate green, inclusive and sustainable employment (D60).*

## KNOWLEDGE

Knowledge and information challenges are another critical node identified by those who lead circular ventures. Crucial aspects for the viability of a business, such as understanding the maturity point of the market in a given context, before launching a certain circular venture, can be a key factor in the success or failure of a sustainable initiative.

*From all this, we realised that, actually, when you start a business, many times you fail, or more than several times, most of the time you fail. And one of the most common reasons of failure is generating or launching the venture before the market requires it (D48).*

An enabling condition for the development of circular ventures is to address citizen education in sustainability from different perspectives, which implies promoting a demand-driven approach. In this sense, they repeatedly express the need to raise people's awareness, for example of the damage they can cause to ecosystems through certain daily consumption habits.

On the other hand, interviewees express that circular economy and other specialised terms, run the risk of being associated with simple

trends, which are constantly generating new concepts and end up being frivolous, without a major impact on reality. Regarding this proliferation of nomenclatures or denominations, it is difficult to reach agreement on their uses and operational definitions.

This affects various fields of work on circularity, for example, impact assessments and the development of adequate traceability of the different areas of action. Nevertheless, such a conceptual discussion is the first step towards designing and consolidating a system of sustainability indicators. This is a tool many circular ventures should use, and then expand and have some level of national and international comparability. Ultimately, the optimum for business decision-making is to have accurate, real-time information that allows them to judge how to move forward.

*I have the feeling that sometimes we are repeating concepts and that, every now and then, we give new names to this refloating. And, well, I also try to ensure that all of us who work in circular economy do not end up being simply fashion followers of the new name, talking about green policy, circular economy, recycling economy, you name it, and economy of many colours (D61).*

Regarding the skills and knowledge of their activity, they state that they have had to train the staff operating in their circular ventures, especially when they work with vulnerable groups. In certain circumstances, they have even found it hard to make their business grow due to a lack of qualified human resources.

During the pandemic, they ventured into providing training courses to different audiences through online platforms, but it was difficult to deliver the same as face-to-face, and to achieve similar learning outcomes. Nevertheless, they continue to do so, though to a lesser extent than during the pandemic.

Another interesting challenge in terms of knowledge is found among those circular ventures devoted to the rescue of ancestral or indigenous

people's knowledge. In these cases, they have begun in an exploratory way and have had to expand their developments, according to the productive capacities available in these communities.

*Generating a whole collaborative network. In each experience, in each learning process, seeing the enormous shortcomings, we started generating tools. Many intangibles distributed differently, and that is the systemic change that we are bringing today through the NGO, and that we have built hand in hand, in an organic way with the different players, with academics, with local players, with designers, transforming this chain from the fibre, understanding the problems, generating solutions, bringing technology, bringing disruptive business models to the cooperatives, to the producers... So that they could integrate, improve the DNA, recover their ancestral techniques, include the young people (D7).*

Finally, they also face administrative difficulties in normalising or standardising the production and the characteristics of new products, which are not widely available on local markets, and which are often produced from recycled materials.

*Initially, it was the lack of technical standards here in the country, mainly because it an industry that did not exist before, there are no precedents, so we had to start setting standards and regulations (D17).*

## PERSONAL

One last, but no less relevant, categorisation of challenges refers to the personal challenges faced by all circular entrepreneurs. They are often forced to neglect family life due to lack of time, given that their routine becomes quite demanding, especially when they continue with another job in parallel to their entrepreneurship. They also have to deal constantly with frustration, when things do not turn out as expected,

or when inconveniences arise that are not their responsibility, such as economic recessions and the health crisis experienced during the pandemic.

Similarly, they also face the challenge of learning or training along the way, during the course of the circular venture. Occasionally, progress or drawbacks depend on personal skills that are difficult for them to develop. Several of them started with other people as partners, who eventually changed in time, being replaced by others, or even, in some situations, had to assume the running of the business on their own.

*Personal time management, managing people, learning to lead a team, finding the right people for our work team, is quite a personal barrier to learning how to lead, to make good decisions, to be sure of the decisions one makes, and to believe in the idea, even though at times the numbers may not be the best (D36).*

Finally, they indicate that they often feel very small and irrelevant when facing huge challenges, like dealing with climate change or reducing environmental impacts that have been decades ongoing.

*Often, the biggest problem I have noticed is that we feel alone and helpless, struggling against a gigantic change that needs to be made, and we feel tiny, with a huge intention, but tiny in our actions (D59).*

*And so, we started, little by little, trying to revolutionise the industry (D38)*

## FINAL REMARKS

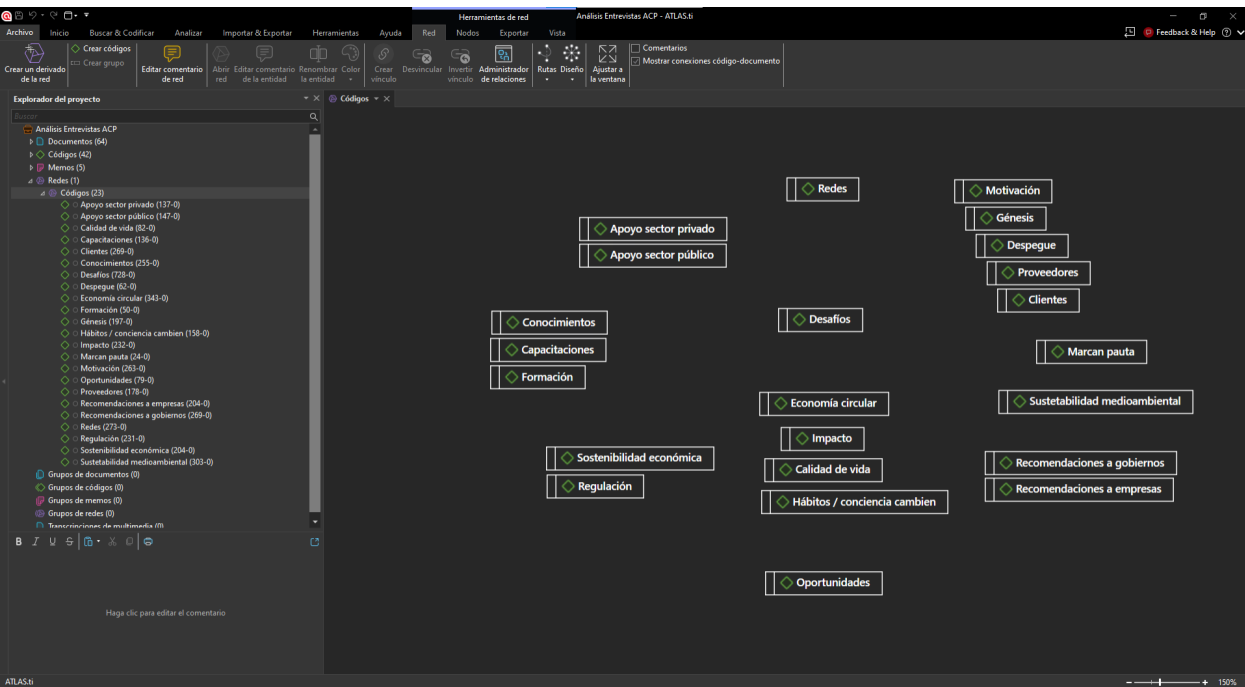
Regarding the scope and limits of this study, it is worth noting that its purpose has been to address the diversity of voices present in Latin America and the Caribbean, with a sample of cases of circular ventures from different countries. Therefore, this report does not intend to focus on and explore in depth only one national reality, since the differences in this vast region are evident.

On the basis of this macro analysis, it is possible to continue this work at a micro level, considering more specific aspects of the discourses of circular entrepreneurs. For instance, by analysing socio-cultural elements in relation to the value chain of the circular ventures; the knowledge and conceptions of what the circular economy implies; the motivations of those leading these initiatives; the situations that allowed their emergence, take-off or failure; gender issues; network configuration; and impact on the territories and habits of their inhabitants’.

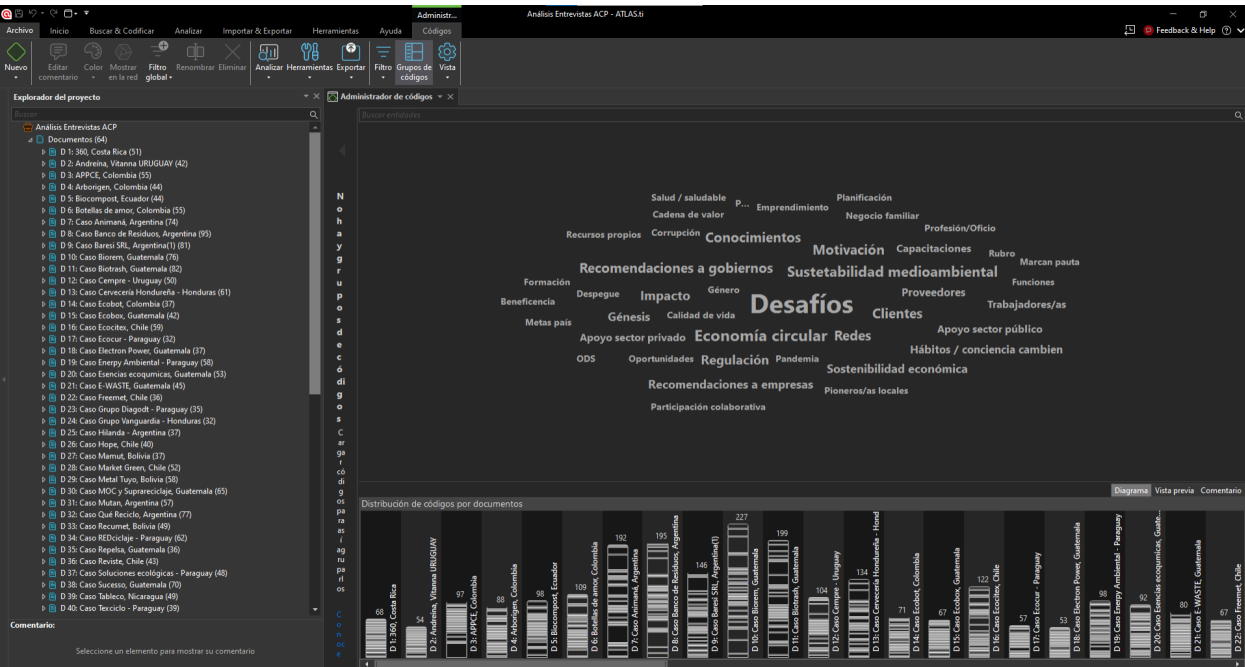
This paper also allows us to contextualise the conversation about the circular economy, in order to make it more pertinent and not get trapped in a general discourse that forgets the conditions under which entrepreneurship emerges in the countries of the region.

Finally, listening to the voice of entrepreneurs is an action that should in itself be valuable for the various interest groups to integrate this practical knowledge when designing and implementing public policy, establishing business-to-business (B2B) relations, training professionals and technicians who understand the characteristics of circular entrepreneurship in Latin America and the Caribbean, and lastly, encouraging sustainability-conscious consumer markets.

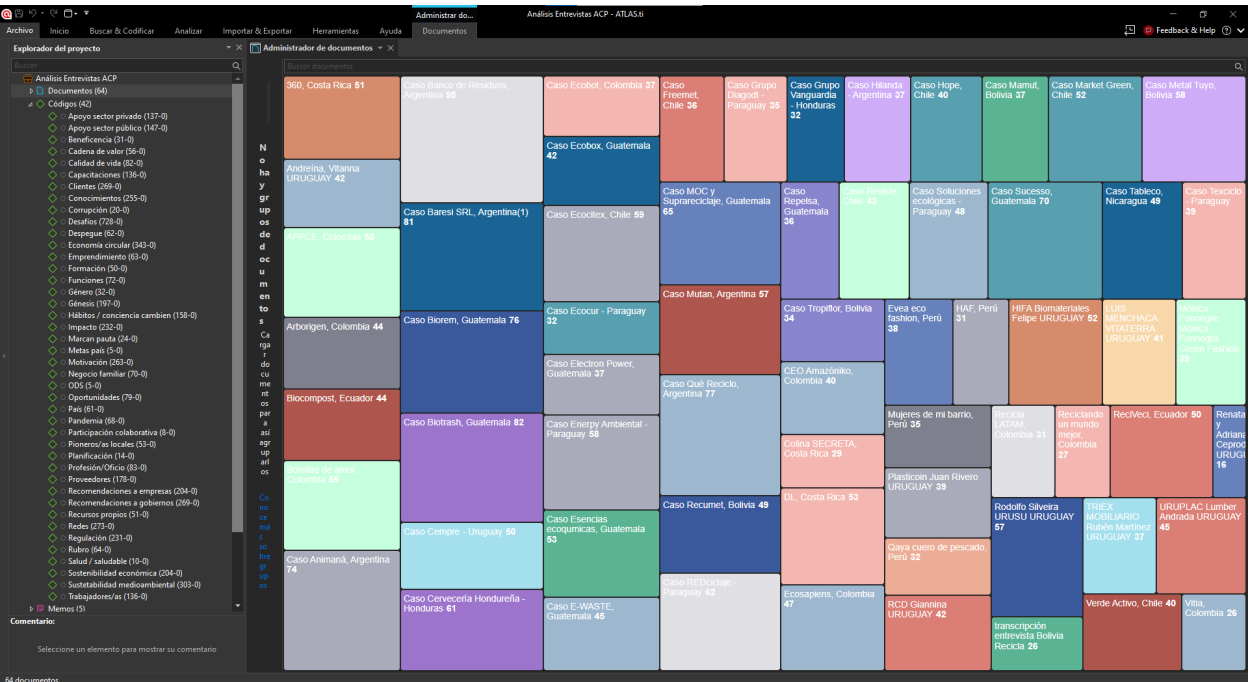
## ANNEX ATLAS TI



## ANNEX ATLAS TI



## ANNEX ATLAS TI



## ANNEX ATLAS TI

Analisis Entrevistas ACP - ATLAS.ti

342 citas vinculadas al código "Economía circular"

Explorador del proyecto

Analisis Entrevistas ACP

Documentos (64)

Códigos (42)

- Apoyo sector privado (137-0)
- Apoyo sector público (147-0)
- Beneficiencia (31-0)
- Cadena de valor (36-0)
- Calidad de vida (82-0)
- Capacitaciones (136-0)
- Cientes (269-0)
- Conocimientos (255-0)
- Corrupción (20-0)
- Defectos (726-0)
- Despeaje (82-0)
- Economía circular (343-0)
- Emprendimiento (63-0)
- Formación (50-0)
- Funciones (72-0)
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- Hábitos / conciencia cambian (158-0)
- Impacto (232-0)
- Marcan pauta (34-0)
- Metas país (5-0)
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- Negocio familiar (70-0)
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- Oportunidades (79-0)
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- Potencia/as locales (33-0)
- Planificación (14-0)
- Profesión/Oficio (83-0)
- Proveedores (178-0)
- Recomendaciones a empresas (204-0)
- Recomendaciones a gobiernos (269-0)
- Recursos propios (51-0)
- Redes (273-0)
- Regulación (231-0)
- Rubro (54-0)
- Salud / salubridad (116-0)
- Sostenibilidad económica (204-0)
- Sostenibilidad medioambiental (303-0)
- Trabajadores/as (136-0)

Memos (3)

Haga clic para editar el comentario

Clas Vistas

Asignar códigos

Ver el contexto

Renombrar

Eliminar

Mostrar en la red

Seleccionar todo

Buscar selección

Exportar a Excel

Aceptar al área de navegación

Feedback & Help

12/9 1 69, en 360, Costa Rica

no, de hecho pues el término digamos que se habla de claro economía circular que se ha puesto bastante sobre la mesa en los últimos tiempos, hablar del último año si acaso es que yo digo mira si es pues tiene, no lo conocía de hecho o sea no yo no fue como hubiera dicho yo quiero, voy a hacer un negocio de economía circular allá del 2010 y va a saber sobre compostaje porque el compostaje claro es la economía circular por excelencia por el que los residuos salen y se vuelven a la tierra y ahí va. No de hecho no lo había pensado así hasta ya escuchar sobre sobre el término de economía circular

1 Codificación

Economía circular

1/52 1 96, en 360, Costa Rica

Cuando yo trabajé en esa empresa que le comentaba, yo me enfocaba mucho en los residuos y encontraba muchas oportunidades que no eran negocio, negocio en latas de palmito, pero de camino generaban residuos aprovechables que era flamar que la gente no se lo comía, que en muy duro pero que se podía transformar en una base para producir harinas o para producir mezclas para panadería, etcétera. Entonces yo lo veía, le que pase que no esa nuestra negocio. Ahora bueno y a pesar de que había una empresa hermana que producía tortillas y panes entonces yo creo que tal vez eso hay que fomentarlo desde las escuelas, incentivar el espíritu curioso de la gente para despertar nuevas oportunidades

3 Codificaciones

Economía circular

Formación

Oportunidades

2/8 1 30, en Andreina, Vitarina URUGUAY

Desde el medio ambiente también, o sea, nuestro producto y nuestra empresa nace, es de economía circular

2 Codificaciones

Economía circular

Sustentabilidad medioambiental

2/14 1 33, en Andreina, Vitarina URUGUAY

Hicimos unos frascos y ahí justo nos enteramos de que ANDE, que acá en Uruguay es la Agencia Nacional de Desarrollo vinculado al Estado, que promueve iniciativas y proyectos, emprendimientos. Entonces bueno, ANDE en este momento, en el 2018 hizo un llamado para proyectos de economía circular y en ese llamado fuimos a una primera reunión donde había distintos expositores, de otras partes del mundo y ahí nos dimos cuenta de que, claro, de que nuestro producto y nuestra empresa era enteramente de economía circular, era como que lo sabíamos, pero no teníamos el nombre claro, o sea, no sabíamos que existía esa denominación.

2 Codificaciones

Economía circular

Apoyo sector público

Economía circular

3/20 1 70, en APPCE, Colombia

para todos los pequeños empresarios debe ser una necesidad el entender cómo desde nuestra simpleza podemos aportar en la economía circular y en el desarrollo sostenible, y en el crecimiento de la economía, sin afectar el medio ambiente.

2 Codificaciones

Economía circular

Sustentabilidad medioambiental

3/35 1 112, en APPCE, Colombia

Diéndole ese toque, ese toque de economía circular y de importancia al medio ambiente. Parte del cambio de logo fue darle color verde, antes era azul oscuro, referente al agua. Hoy es azul más claro con verde, verde ecológico, verde que se identifica con ecología.

2 Codificaciones

Economía circular

Sustentabilidad medioambiental

3/43 1 133, en APPCE, Colombia

si hubiera la posibilidad de conversar con mi Presidente, le diría que destiquen mucho más a la educación y, en particular en este tema, a la educación sostenible y a la educación de la economía circular, sería el primer paso

4 Codificaciones

Economía circular

Comentarios:

Seleccione una cita para mostrar su comentario

