



THE CIRCULARITY OF THE BUSINESS MODEL AND THE PERFORMANCE OF BIOECONOMY FIRMS: AN INTERACTIONIST BUSINESS-ENVIRONMENT MODEL

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ABSTRACT

In line with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, the Circular Economy is a key for reducing the impacts of businesses production modes on the environment, enhancing nature's resilience to environmental pressures, and achieving a more efficient and responsible use of natural resources. Circular economy business models (CEBMs) lead to reduced costs which may lead to a higher firm performance, in economic, social and environmental terms (the triple bottom line). One of the industrial sectors in which the CEBMs can be developed the most is the bioeconomy. The economy associated with resources of biological origin, of which the forest economy is one of its greatest exponents, is an industry sector where the implementation of these models is more a matter of fact and is, at the same time, more urgent to fulfil the SDGs. However, 'how' the firms located in this sector may lead to a higher level of circularity of this business models, and 'how' this level of circularity is a positive to achieve the triple bottom line is yet scarcely investigated. In this article we propose a model to better understand how forest bioeconomy firms can develop high circularity level business models that can lead these firms to excel on the triple bottom line. Specifically, we combine internal aspects of the business (e.g., social capital, dynamic capabilities, entrepreneurial orientation) with situational variables (social/cultural, regulatory, technological, economic/financial, ecological drivers) to explain and predict the level of circularity of the business model of bioeconomy (BE) firms, as a previous and critical step to enhance their triple bottom line. The interactionist model proposed and the propositions that are derived will help to structure and design future research in this field.

Keywords: *Circular Economy; Business; Forest Industry; Performance; Circularity Level; Internal Factors; Environment.*