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Final Research Work
**CIRCULAR ECONOMY IN TOURISM AND
HOSPITALITY:
A REVIEW OF SELECTED PUBLICATIONS**

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'GDP measures everything except that which is worthwhile' (Bob Kennedy)

'Circular economy is an economic system that is regenerative by design. ... The linear economy is the prevailing model because simply the world is just not in tune or necessarily aware of the circular model and its economic and societal benefits.' (Attila Tuross, *Lead: Future of Production*, World Economic Forum)

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Introduction

It is between the two quotations in the previous page that my motivation for the present research can be found. I am sceptical towards GDP as an absolute measure of our economy and welfare, and I also think that the Circular Economy (CE henceforth) suffers from low social awareness and business preparedness. Both facts pushed me to explore it as an alternative model in my domain of teaching and research, which is hospitality and tourism.

In fact, CE and tourism are in some ways highly related: not only is tourism the circular form of traveling (the linear form of traveling is known as ‘migration’) but also the tourist sector has been at the forefront of the discussion about sustainability for years. In the academia, this is confirmed by such reputed journals as the *Journal of Sustainable Tourism* or the *Journal of Ecotourism*, both of them high-ranked and devoted to pushing for sustainability among researchers and practitioners. Further, as tourism was hit very hard by COVID-19, many in the sector are reflecting about the current ‘restart’ phase and its future prospects. Concepts like ‘regeneration’, ‘degrowth’, ‘community-based’ or similar strongly resound with professionals and academics in the current debate, hence the necessity to reflect on one of these concepts, namely CE. Therefore, the present work sketches the main discussion lines around CE and tries to contribute some prospects to the discussion.

Methods and scope

This work is carried out in form of a literature review. 17 publications are compiled and reviewed and subsequently final considerations are put forth. Out of these 17 works (see references’ list at the end of the document), 14 are articles from peer-reviewed journals (11 of them conceptual articles and 3 case-based reported experiences). Further, 2 consultancy pieces were included and 1 blog entry as well.

The publications discussed here have been searched for in the scientific social networks Google Scholar and ResearchGate. The final selection was made with criteria of pragmatism and usefulness, rather than representativity. While literature reviews are widely acknowledged as a useful tool and as a sound research method (Snyder, 2019), our goals remain relatively modest due to space constraints, which forced us to narrow down the number of selected works, so the present research work does not claim any degree of completeness. Rather, it is hoped to skim the main ideas and discussion lines, see next section which is divided into conceptual ideas, transition proposals, and good practices.

Reviewing the main ideas of circular economy applied to tourism and hospitality: concepts, transition proposals to good practices

a) The Concept & State of the Art

Citing the Ellen MacArthur Foundation, an institution which has long pioneered and championed CE, Einarsson and Sorin (2020) define it as “a purposefully designed socio-economic system inspired by natural systems, regenerative of human and natural capital that works long term for all stakeholders” (p.10). Gaffar et al. (2021: 1) define CE simply as “a concept that emphasizes the importance of product sustainability in one cycle before disposal or removal”. Vargas-Sánchez (2018) states that CE has not been properly defined in conceptual terms by authorities or academia, which shows it is in its infancy (both in terms of definitions and applications), as several different conceptualizations concur. However, it is an emerging field which will become a general trend in the long term in what he calls an ‘unavoidable disruption’. Vargas-Sánchez (2021) further asserts that, although somewhat unnoticeable, the tourist industry is transitioning from a linear economy to a CE under the well-known slogan “from the cradle to the cradle”. Other authors also point out to the pressing need of developing alternative growth models, such as Maniche et al (2021); therefore, the discussion about CE is never far away from alternative concepts such as degrowth marketing, sharing economy, etc. (or not so alternative such as energy saving, efficiency and the drive for innovation). Another important concept repeatedly found in the literature which especially distinguishes CE is ‘closing the loop’ between consumption and production.

Einarsson and Sorin (op cit) further write that, in a CE, the notion of waste has been eliminated, and the inefficiencies of the current ‘take-make-waste’ in the linear economy are turned into business value by keeping materials, resources and products in use for as long as possible. As tourism is quite an intangible industry, Maniche et al (op cit) remind us that, despite the fact that it produces immaterial goods (such as experiences) their physical needs a lot of products and services that create waste or other environmental impacts.

Kaszás et al. (2022) point to the fact that, as a highly disrupting industry, tourism needs to address these disruptions by becoming more circular. However, thanks to its multiplying effect, the tourism sector is especially apt to promote CE. These authors see a link between sustainability goals and CE: the latter may be seen as an operationalization of the former.

Beyond all what is said above, however, some authors point to the need to shift society's values away from consumerism (Maniche, op. cit.; Einarsson and Sorin, op. cit.). As such, tourism should be based on the 'transformational' experiences it may potentially unleash rather than on the consumption of places. The concept of 'community-based tourism' is also close to this line of thought, i.e. the trend to empower the local community so that they become the 'owners' of tourism development in the place and their culture takes centre stage (Bassols, 2023; Quiroga et al., in press). The proposal here is 'meeting communities' rather than 'meeting places.'

b) Transitioning towards CE

There are some reflections in the literature as to the transition towards CE models. Some authors make interesting prospective efforts here; so some of them are reported here below.

As in every economic transition, there will be winners and losers, lost opportunities but also new ones (Vargas-Sánchez, 2018). In tourism and hospitality, the production chain is much longer and looser than in other sectors, that's why CE in this industry needs to go beyond the mere "products and services" range so as to encompass a much broader range of authorities, companies and even NGO's delivering services.

In a transitional period (or after it), new ownership and sharing models may come up (Sørensen and Bærenholt, 2020) In fact this is already happening in tourism with transport sharing (perhaps more at a local level) and home sharing for holidays, aspects approaching parts of the industry to the C2C economy.

Vargas-Sánchez (2021) sees as imminent the reconfiguration of value chains as well as value systems, in line with other authors. Further, Sørensen and Bærenholt, 2020 state that tourist offers will have to turn to physical activities (hiking, cycling) and nature in a CE context.

The matter of 'moral values' is again underscored by Kaszán et a. (op cit) as they state that the transition from the linear to the circular economy requires a complete change of attitude in all aspects of the economy. They further argue that this is not only about product but also about the production and organizational processes. They put forth the following 5 points which shall give some orientation towards this transition: their proposal is centred on several R's (like some other authors): reduce, recycle, reuse, redesign and rethink. Again, this connects CE with sustainability approaches, as stated further above.

It is also interesting to cite again Sørensen and Bærenholt, *op cit*, as they uncover the largest barriers to CE development. And it is especially interesting to see that the uncontrolled growth in the number of arrivals is one of the points most menacing the development of CE. They also found out that, from the side of the companies and governments, there is the problem of low awareness and from the side of the demand there is the fact that holidays are conceived as mostly hedonistic moments, in which mindfulness or values are not so important. As for pushers towards CE, they agree to several points put so far, such as common transportation, waste recycling, etc.

A literature review of recent research is the one by Bux and Amicarelli (2022) in which they state: “food waste, water and energy consumption have been the most topical concerns from 2011 to 2021, whereas ecosystems protection, rural and urban development need more care.”

Looking into business practices but also into the surrounding environment, Falcone (2019) asserts the degree of preparedness of the city of Salerno, Southern Italy, towards CE as he investigates the possibilities of a transition from a fuel-based economy to a green one. His research reveals that locals perceive more obstacles than chances. Specifically, he finds out that only the factor “upcoming of green jobs” is positively perceived, whereas the factors: social acceptability, excessive bureaucracy, lack of long-term planning by governments as well as lack of technology and infrastructure are seen as weaknesses. In a similar vein, Joshi et al. (2020) study which factors are more important to develop agritourism within a CE framework. In their quantitative study, they determine that for their Indian region the factors, the crucial ones are: Destination Attractiveness, Local Community Contribution and Sustainable Livelihoods (by this order). On the contrary, factors such as Adaptation to Climate Change, Forward Linkage or Food Security are less important determinants, i.e. they should weigh less in performance evaluations.

As for measuring CE, we highlight the report by Fundació Impulsa Balears (2020) which is directed to the sectoral companies and endorsed by this regional government. It is a first, interesting approach to measuring – and of course, it’s also interesting to read as it shows the way forward to CE according to a public authority. A final related publication to cite representing CE’s ‘measurement camp’ is Xu et al. (2022), in which they propose a measurement system to ascertain the factors promoting CE in China. One of the key results of their research is that the public sector may become a decisive driving force in pushing for CE.

Shet (2022) confirms this public push by stating that the world's areas with most research on CE are the European Union and India, where the governments have clearly bet on the subject.

c) Good practices: three experiences reported

As the literature above bemoans few practices which can serve as a guide, we would like to lay out and compare three experiences in CE we found in the literature. These are from Croatia, Greece and Thailand – ‘mature destinations’, as they could be called.

For Croatia, Rudan et al. (2021) give an overview of built-heritage projects based on CE, which represent an attempt by this nation to build cultural tourism on the foundations of CE. So, for example, the repurposing of different kinds of buildings such as derelict fabrics or medieval fortresses which were all conducted under CE principles. The accommodation coming up in such contexts (for example, the so-called ‘diffuse hotels’) are also counted by the authors as favouring CE.

Apart from hospitality and (restored) cultural buildings, the number of gastronomy trails in Croatia may be seen as promoting CE. In fact, they are pushers for local products and for gastronomy based on local and seasonal ingredients. Marketing and selling traditional food, possibly produced by the community, is also an element which might be counted towards CE.

By all these initiatives, however, Ruda et al. (2021) recognize the need for an acceleration of CE in Croatia. This will come, according to the authors, if legislative frameworks improve, and if local alliances among companies emerge.

While this Croatian experience is quite focused on the development of (cultural) tourist products, Khodaiji and Christopoulou (2020) report about two big Greek upscale hotel chains. Some common actions in favour of sustainability in general and CE in particular may be singled out: the construction of buildings with local techniques and materials; energy-efficient buildings and, from the side of the operation, alliances with local producers, a good waste management, and the commitment to communicate and educate customers, employees and providers in sustainability. Especially training employees and ‘going an extra mile’ for them are underscored in the report: helping them finding jobs off-season, giving them incentives to renovate their homes, etc.

The initiative of one of these two companies to create a research unit into issues such as climate change, sustainability and CE is, according to the authors, especially interesting as it points to an ‘inward-looking’ process in the company where gaps and loopholes impeding full CE development may be found. Thus, monitoring and communicating become important parts of the process. In any case, it seems important that CE related processes become standardised in the day-by-day operations in the hospitality industry.

A final experience is presented by Pongsakornrungsilp and Pongsakornrungsilp, S. (2021) from a province in Thailand. As the authors make a conceptual effort to relate CE, mindful consumption and service-dominant logic, they also report about the efforts made following up the province’s declaration in favour of low-carbon tourism in 2013. They do so via a longitudinal, well-documented study which monitors the evolution across several years. Following that declaration, the provincial authorities developed a pretty comprehensive scheme including public authorities, business associations and local companies to drive towards a more sustainable tourism. Therefore, the starting point here was a top-down initiative focusing on nature conservation.

In an effort to turn the province’s tourism towards green principles, each of the three aforementioned levels was assigned certain tasks, so public officers set up a think tank, the business association led the market change towards more green-conscientious markets (from Russia and China to Scandinavia) whereas the companies took up CE principles in their operations. In an ongoing effort of collaboration, the authorities tried to persuade all stakeholders by creating a local CE network to favour exchanges and raise awareness. Staff and visitor education are also part of the programme. These joint efforts have created a strong brand, which is accordingly communicated via social networks, thus incorporating digital strategies into the project. The prizes and distinctions which some companies have received are also supporting a change to progress upscale in the market, as these are communicated to the digital universe and attract high-end, green visitors.

To sum up this section, we underscore how CE principles may inform the development of tourist products (Croatian case), the operations of hospitality companies (the Greek case) or the transformation of a whole destination (the Thai case). The first and third cases are top-down driven, i.e., with a strong push from the public sector. The Greek case is an example of a bottom-up push or market-driven case as conscientious tourists from northern Europe put sustainability demands on the tourist industry. All of the three cases are good models to be

followed by other companies or destinations, however, by being “explorers” of a new domain, they also take risks which should be rewarded. Finally, it is to underscore that it is still difficult to set up a path towards CE as the reported actions vary in their scope, temporal duration and starting time. CE seems thus a long-term process with lots of smaller actions within it. Some of them might be isolated actions with no impact on the whole; others might be un-coordinated. By reading the above cases, one feels the experimental phase CE is undergoing through an “error and trial” period when it comes to its implementation.

Discussion and conclusions

The first -and quite obvious point- is that CE in tourism is, academically speaking, quite a new approach: the references’ list below displays publications from very recent years. It also is at practitioners’ level, as the first pushes came just a decade ago or so. As a very young concept, CE in tourism has to compete with more established concepts such as sustainability or green economy. Though underscoring the “cradle-to-cradle” approach as a specific contribution, CE might become blurred in this conceptual jungle, mainly as far as practitioners are concerned.

Another consequence of this new approach is that most research about CE is of conceptual nature, rather than laying out cases or good practices., cf. references’ list. In fact, it’s much easier to find conceptual pieces devoted to concept development or CE measurement proposals rather than practical cases. This, in turn, points to the need of developing CE on the ground so as to gain a ‘critical mass’ which allows destinations and companies to grow their CE’s by looking at the good practices from the ‘pioneers’. It is on them as ‘ambassadors’ of this new idea in the public and private sectors that CE may thrive in tourism. By all this, the existence of measurement proposals and the first reported cases we have discussed in the present work, may point to a consolidating trend.

As tourism is a complex ensemble of products and services which are consumed in a place, the governance of the value chain is mostly on public hands. Hence, probably public authorities are the most adequate instance to promote new ideas such as CE. Following this, two of our three cases report pushes done by the public sector. The other way is bottom-up, for the cases where CE is pushed by market demand – hence the need for the Thai case to look for high-end, conscientious customers as CE becomes a general practice all over the

destination. Enthusiasm and commitment are, however, crucial factors in either situation for CE in tourism to emerge (cf. previous paragraph).

A final issue to discuss is the ‘motivation/values’ issue, i.e., why does a company or a public authority start a transition towards CE (or any sustainability stream)? Sadly, this is not much-discussed in the reviewed papers. And this is a central issue, in my opinion, in any topics relating to sustainability. Because, if the push comes only from the market or the authorities, commitment may dwindle quite quickly under changing market circumstances or as new officials take over after an election. Only ‘values’ guarantee long-term commitment, and these are only superficially reported (if at all) in the reviewed research. Strong values are central to any transformation towards sustainability, as it is a long-term process. More than strong motivation or enthusiasm, strong principles are required. These may already be there at the beginning, or may be cultivated and reaffirmed during the transformational process, but it is absolutely essential that they are present. These ideas show a connection with some other parts of our course *La sfida ecologica* in which several lecturers related the current ecological crisis to a crisis of values and to a rampant consumerist culture.

By opting for sustainability in general, or CE in particular, the tourist industry makes a clear commitment towards preservation for future generations and for a societal well-being for everyone. These values must be clearly placed above other values, such as immediate profits (for companies) or immediate pleasure (for consumers). Thus, profound shifts are needed in the way we currently understand tourism – and many other sectors in the economy.

Beyond establishing win-win, relations among all companies in a value chain, the specific contribution CE may give in fighting the current ecological crisis is that it may be an excellent tool in combatting the famous slogan “grab, use, throw” (“piglia, usa e getta”) as what is to be thrown away becomes a valuable input. CE has thus a strong economic and educational potential. It may possibly reconnect us to the economy of our ancestors, in which any acquisition (from clothing to work tools) was well-thought over, for it was considered as an investment. Consequently, everything would be done to give it a longer life, through mending, repairing and maintenance. This ‘semantic reconnection’ (also discussed in the course) is, in my opinion, one of the strongest potentials of CE and a reason why it should be decidedly promoted in tourism and hospitality – and in other economic sectors, too.

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