### Chapter 6

# Opportunities and Challenges of Circular Economy for the Tourism Industry

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#### **ABSTRACT**

The aim of this chapter is to present the state of the art of academic research in the intersection between circular economy and tourism, trying to identify the approaches used by authors when studying the application of circular economy principles and initiatives in the tourism industry. For this purpose, a systematic search in ISI Web of Science and Scopus databases was performed. The characterization of research carried out in this field, with both a bibliometric and bibliographic analysis, is offered, presenting a detailed picture of the content of the research carried out in the abovementioned intersection, synthesizing what has been done so far. To conclude, a research agenda is proposed to develop this still understudied domain.

#### INTRODUCTION

The aim of this chapter is to present the state of the art of academic research in the intersection between Circular Economy (CE) and tourism, identifying contents and approaches used by researchers when studying the implementation of circular economy initiatives in the tourism industry. To this purpose, the databases of Web of Science and Scopus were utilized.

Thus, the main research question is to find out how the relationship between CE and tourism has been observed and addressed by authors, in the ongoing process of giving shape to this relatively new field of study.

Its relevance resides in the object of study (since the tourism industry, as one of the most impactful socio-economic activities at a global level, has a significant role to play in the undergoing model shift from a linear to a circular economy) and how it has been tackled. Thereby, it has been guided to system-

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atically present what has been done so far in academia and, on this foundation, to suggest new research developments and further knowledge generation efforts.

As a proof of this relevance, the prestigious hospitality education group 'Sommet Education', in its report on "Top Trends in Hospitality for 2019" includes "the shift towards a circular economy system" (Domenget, 2019), which "has the potential to transform the hospitality industry" (Imboden, 2019) into a system where resources are recycled and regenerated, rather than used once and disposed.

In this domain, the only previous work of this nature was recently published by Vargas-Sánchez (2018), which now is complemented with an updated bibliometric and bibliographic analysis in an extra step forward in the configuration of the academic research landscape in this emergent field of study.

Consequently, this document is organised as follows: firstly, a conceptual framework is provided on CE, as well as on its interrelation with the tourism industry; then the methodology used to achieve the proposed aim is presented, closing by providing the main results (from both a bibliometric and bibliographic perspective) and conclusions drawn from them, in terms of what has been done so far and the proposal of future research avenues.

#### CONCEPTUAL FRAMEWORK

Circular Economy is not a new concept. According to Hens at al. (2018), it dates back to late 1970s and has been shaped by a number of schools of thought such as "regenerative design", "industrial ecology" and "cradle to cradle". For these authors, it is a generic term for economic, technological and policy guidelines striving to (better) close material loops and to make the economy less resource-dependent.

It is important to note that Circular Economy, within the paradigm of sustainability, represents a model shift intended to replace the traditional Linear Economy (take-make-use-dispose), with deep repercussions at both production and consumption levels during this transition, that is, in how to use scarce resources in a smarter way. It is assumed that without circularity in the use of limited resources (in other words, without decoupling economic growth, resources consumption and environmental impact) a sustainable development cannot exist. Nonetheless, it is fair to recognize that the loops of materials cannot be closed indefinitely (always with zero losses or waste), which means that, in practice, this new model won't be totally circular, but it aims to be as close as possible to that desideratum.

Although a consensus within the scientific community doesn't exist yet with regard to its definition, the CE model is inspired by the cycles of ecological systems, trying to eliminate waste generation. In this line, in the Circular Economy Package Report issued in Brussels on 4 March 2019 by the European Commission, it is said that: "In a circular economy the value of products and materials is maintained for as long as possible; waste and resources use are minimised, and they are kept within the economy when a product has reached the end of its life, to be used again and again to create further value". In short, according to Ten Brink et al. (2017), the CE "is about keeping resources and their value in the economy and avoiding them becoming waste. This requires actions ranging from upstream product innovation to downstream waste and recycling infrastructure, as well as engagement by governments, businesses and citizens".

Thus, recycling, which usually is associated with CE, really is a second-level option in this model that is activated when it has not been possible to attain the main aim of waste eradication (the last, and the most negative, option is waste disposal in landfills). Therefore, recycling (waste management) represents a reactive approach within the CE model; the most genuine one is of proactive nature, trying to prevent

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