

Transition Towards a Circular Economy in Small and Medium - Sized Enterprises: Methodological Approach

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Small and medium-sized enterprises (SMEs) play a crucial role in Europe's transition to sustainability, accounting for more than 50% of EU GDP and more than 63% of business are responsible for CO² and broader GHG emissions (European Commission, 2025). This study focuses on a synthesis of existing methodological approaches used to study the transition to a circular economy in small and medium-sized enterprises (SMEs). The aim is to analyze and summarize different research strategies, highlighting the most effective methods for the transition to a circular economy in these enterprises. The study uses a meta-analytic approach, reviewing qualitative, quantitative and mixed methods research designs used to investigate best practices. The main methodological frameworks include case studies, surveys, life cycle assessments and comparative analysis of regulatory compliance. By examining these approaches, the study identifies their strengths, limitations and applicability in assessing the circular economy performance of SMEs. A key aspect of this methodological synthesis involves the categorization of research approaches, such as resource efficiency, waste management, carbon footprint and regulatory compliance. It allows identifying best practices and gaps in current methodologies, contributing to a more comprehensive understanding of how SMEs can effectively implement the transition to a circular economy.

One of the current political and regulatory drivers catalyzing the circular economy is the European Commission's Communication "A Green Europe" aims to protect, conserve and enhance the EU's natural capital and to safeguard the health and well-being of citizens from environmental threats and impacts. The Commission proposes a new growth strategy and industrial policy to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy with net-zero greenhouse gas emissions by 2050 (European Commission, 2019).

The economic driver for the transition to a circular economy (CE) is the fluctuation of resource prices. Not only does recycling or refurbishment reduce production costs, but it also makes companies more resilient to market fluctuations (McKinsey & Company, 2024).

Several authors (Gennari, 2023; Cassano, 2020) acknowledge that large companies already have the necessary resources and knowledge to transition to a circular economy. The search for competitive advantages in global markets has long been a driving force behind efforts to ensure sound and sustainable governance. Conversely, SMEs struggle to address the transition to a circular economy coherently, failing to implement sustainability-oriented practices as part of a consistent strategy that considers business from a circular perspective.

To increase SME commitment to implementing sustainable and circular economy activities, it is necessary to identify activities specific to the circular economy for SMEs. These activities include supply chain transparency, transport initiatives to reduce emissions, procurement and storage optimization, waste reduction initiatives, energy efficiency and resource conservation, as well as other industry-specific activities. This allows the necessary resources and benefits of implementing these activities to be identified.

This study offers a methodological approach to the implementation of circular economy principles in SMEs.

Acknowledgements

This research is funded by the Latvian Council of Science project “Assessment of Resources and Processes for Implementing Circularity and the Green Deal in the Tourism System (CirToS), project No. lzp-2023/1-0478.

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Keywords

circular economy, small and medium-sized enterprises, methodological approach