

Exploring the barriers to a circular economy (small and medium enterprises)

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Abstract

Relevance. The pursuit of sustainable development against the backdrop of increasing demands for resources in an environment of scarcity, as well as growing social and environmental problems, reflect the importance of finding solutions to maintain economic growth, with due attention to the solution of the forenamed social and environmental problems, while reducing the demand for primary resources. A circular economy model that focuses on minimizing waste and consumption of primary resources, extending the useful life of products, provides solutions to these problems and contributes to the achievement of sustainable development goals. In practice, this model is not widely used, due, between other reasons, to barriers preventing the transition from a linear model of the economy to a circular one. And although regions, industries and enterprises may face various barriers in the implementation of circular solutions, it is possible to identify potential barriers that are typical for most. **The purpose of the work** is to identify and classify the barriers to the transition to a circular economy (with an emphasis on small and medium-sized enterprises), which can serve as the basis for the subsequent development of a roadmap for the transition to a circular economy and overcoming such. **Target groups.** The results of the study can resonate with academia, policy makers and business leaders to achieve a systemic, inclusive and competitive circular economy; serve as a basis for developing a roadmap for the transition to a circular economy at different levels, developing ways to overcome barriers that impede this transition. **Materials and methods.** The study is based on data obtained from the analysis of publications of Russian and foreign scholars on this topic. To achieve the stated goal, general scientific methods of cognition used in economic science, in particular, methods of comparative and logical analysis, were used. **Results.** The main features of the circular economy are considered; describes the main points related to the development of a methodology for introducing a circular economy at the enterprise level; analyzed and classified the barriers faced by enterprises in the transition to a circular economy model; the importance of a structural and systematic approach was emphasized for the effective transition from a linear model of the economy to a circular economy with the involvement of stakeholders and consumers. **Conclusions.** The circular economy model provides opportunities for sustainable economic growth, reduces waste and the use of primary resources, provides consumers with innovative and durable products, and contributes to solving social and environmental problems. At the same time, existing barriers (financial, institutional, legislative, infrastructural, environmental, cultural, supply chain issues and low levels of cooperation) make it difficult to move towards a circular economy. It seems important to

study such barriers in order to develop ways to overcome them and transform them into potential drivers of planned changes.

Keywords: *circular economy, «desired circular future», classification of barriers, sustainable development, scarce resources, environmental and social problems.*

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