

Gospodarka obiegu zamkniętego w turystyce



Circular economy in tourism

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Content:

- 1. What is the Circular Economy?
- 2. What is the role of Tourism in the Circular Economy?
- 3. How can tourism businesses use Circular Economy ideas?
- 4. Conclusions

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What is the Circular Economy (CE)?

I. System transition perspective

The CE is a (not yet existing) *sustainable* economy, in which *production as well as consumption* rely on principles such as reducing, reusing, recycling, and recovering of resources ("closing-the-loop"), and on active "users" rather than passive "consumers" (Sharing Economy, Collaborative Consumption). Sustainability is the goal – circularity is the way!

The CE is a possible alternative to the prevailing linear ("end-of-life") socio-technological regime, sustained by technologies, laws and regulation, markets, financial systems, infrastructures, cultural norms etc.

System transition depends on complex, long-termed, open-ended change processes, outside control of individual actors. But changes are "in the air" - from top-down political initiatives as well as from bottom-up entrepreneurial initiatives.

Strategies and initiatives for sustainability/circularity always should be *place-specific* and take into account the local context!







What is the Circular Economy (CE)?

II. Business perspective

The Circular Economy is a Platform of Innovation

The CE and its restorative and regenerative principles provide a practical, *solution-orientated guide* for (technological, organisational and social) innovation of more sustainable tourism production practices.

The CE concept also provides a *strong narrative tool* for the engagement of tourists in developing sustainable consumption practices.

In the long run, businesses needs to re-define their products, business models and ways of creating profits, their use and flows of resources, their supply chains and cooperation partners, etc.

Small steps – many low hanging fruits to pick!







Tourism and the Circular Economy

In a system transition perspective, tourism is only a small niche, depending on wide-ranging supply and value chains, legislation, technologies, infrastructures etc.

Tourism has a **bad sustainability reputation** and today follows a linear take-makedispose economic model:

- big CO² footprints due to the travelling element;
- vast use of energy, water and other natural resources;
- negative impact of mass/over-tourism on natural habitats, local cultures and communities;
- etc.

Nonetheless, tourism indeed has *potentials for encouraging transitioning* to a circular more sustainable economy – at production as well as consumption side.







How can tourism contribute to a transitioning to the CE? Opportunities related to tourism production

Tourism businesses can **reduce their use of natural resources and save costs** by implementing circular principles (reduce, reuse, recycle, recover) in operations and supply chains. For examples:

- Energy saving/efficient *buildings*
- Water and energy-saving *laundry technologies* (e.g. laundry service company *Berendsen* reuses water, saves energy and linen)
- *Extending the life* of furniture, carpets, and other fixtures through repairing and remanufacturing
- Reducing *food waste* through new practices, i.e. produce-on-demand, smaller buffet plates, staff awareness etc.
- Business case: the small hotel, *Green Solution House*, Bornholm/Denmark, has implemented a range of such initiatives, e.g. solar panels on buildings, water cleaning/saving systems, refurbishment of furniture, "smart rooms" (controlling of heating), reduction and use of food waste (cf. Manniche et al., 2017).

Relevant business models: Waste management, Eco-design, Cradle to Cradle, Produce on demand



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How can tourism contribute to a transitioning to the CE? Opportunities related to tourism production

Tourism businesses have opportunities of **creating new products and revenues** from "waste":

- Sale/redistribution of food waste (*Too Good To Go* (<u>https://toogoodtogo.dk/</u>): Restaurants, caterers, supermarkets etc. advertise left-over food that customers can find and purchase via an app and then collect
- Sale/redistribution of used furniture, matrasses, building materials and other "bi-products" (remanufacturing and up-cycling)
- Rental of electrical cars (e.g. the Austrian ski destination Werfenweng, <u>https://www.werfenweng.eu/EN/SAMO</u>)

Relevant business models: Waste as a resource, Leasing, Sharing Economy







How can tourism contribute to a transitioning to the CE? Opportunities related to consumption

Tourism has a key role to play in encouraging transition towards more sustainable consumption (UN sustainability goal #12). Tourism is a "showcase", illustrating important elements of consumption in the circular economy (sharing economy, collaborative consumption, experience economy)

The sharing economy and collaborative consumption of tourism

Tourists carry very little with them, immerse in new surroundings and socio-technical setups, and use the properties of other people, e.g. a room and a bed to sleep in. In other words, the tourism and hospitality sectors already operate on the basis of circular economy business models: replacing ownership by access, sharing amenities between users.

However, sharing economy/collaborative consumption could be organised and exploited more strategically as a core element of all services and experiences for guests ("come-as-you-are-and-use-what-we-have"). For example, hotels could collect used artefacts (raincoats, sun hats, cycling equipment, toys, books etc.) from locals; the use and evaluation of such goods and services by guests could be part of a venue's marketing and storytelling.







How can tourism contribute to a transitioning to the CE?

Opportunities related to consumption

The Experience Economy of tourism

- Tourism is *"Experience Economy"* (Pine & Gilmore, 1999), i.e. value-creation relies not on functional product features but on memorable, meaningful experiences co-created by producers and consumers.

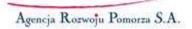
- Tourism relies on an interpersonal *host/guest relationship*, which gives opportunities for personalized interaction and influencing the way guests think and behave.

- Circular ideas and principles can be important narrative tools for the inclusion and engagement of guests in experiences with a positive social and environmental impact (e.g. collaborative forms of consumption)

"Transformative Living Labs"

Tourism businesses and entire destinations could re-organize themselves as *Transformative Living Labs*, where guests experience, play with, gain information and knowledge, and radically re-think the organization of their daily life, use of resources, social relationships etc. The guests' use of energy, electricity, water etc. could be reflected in the *pricing*, i.e. guests are rewarded for responsible behaviour. They could even be encouraged to produce their own electricity via exercise bikes in rooms.







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Conclusions

In a larger transition system perspective, the **tourism sector forms only a small part/niche**, relying on other sectors, legislation, technologies, infrastructures etc. Tourism may contribute to but cannot alone realize a truly Circular Economy. Concerted policy and entrepreneurial actions at multiple levels are required.

Yet, tourism has big potentials for encouraging transition to a circular economy: Despite relying on service production, tourism businesses use vast amounts of energy, water, food, building components, furniture etc. The *opportunities of saving resources and costs and creating new revenue sources* by implementing circular principles and business models are as big as in any other sector.

Tourism is key to encouraging more *sustainable forms of consumption*. The close interpersonal host/guest relationship can be exploited for "transformative tourism", encouraging the guests to take sustainable, responsible choices. Guests may be compensated economically for a responsible use of resources.









That you for your attention!

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CIRTOINNO report: Manniche, J.; Larsen, K.T.; Broegaard, R.B.; Holland, E. (2017). Destination: A circular tourism economy. A handbook for transitioning toward a circular economy within the tourism and hospitality sectors in the South Baltic Region. CRT, October 2017, http://cirtoinno.eu/ce-handbook.



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