

Sustainable Business Practices and Circular Economy in the Developing Economy

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ABSTRACT

In recent years, the need for sustainable business practices has become increasingly urgent, particularly in the context of developing economies. Rapid industrialization, urbanization, and population growth in these regions have led to significant environmental challenges, including resource depletion, waste accumulation, and biodiversity loss. As businesses strive to maintain competitive advantage while addressing these pressing environmental concerns, sustainable business practices grounded in circular economy principles are emerging as viable pathways forward. This proposal seeks to explore how businesses in developing economies can transition to sustainable practices and integrate circular economy principles, focusing on key areas such as waste reduction, resource efficiency, and the development of sustainable supply chains.

The concept of a circular economy redefines traditional notions of production and consumption by emphasizing a systemic shift away from the linear "take-make-dispose" model towards a regenerative framework. This approach seeks to maximize the value of resources by extending their life cycle, minimizing waste, and promoting the continual use of resources through recycling, reuse, and remanufacturing. In developing economies, where economic growth and urbanization exert considerable pressure on natural resources, adopting circular economy principles presents a critical opportunity to foster sustainable development while mitigating environmental degradation.

INTRODUCTION

The increasing pressures of climate change, resource depletion, and social inequality have prompted a paradigm shift in how businesses operate globally. This shift towards sustainability has been particularly pronounced in developing economies, where the integration of sustainable business practices is essential for both economic growth and environmental resilience (Elkington, 1998; Porter & Kramer, 2011). The concept of a circular economy characterized by the continual use of resources, waste reduction, and value retention provides a promising framework for promoting sustainability in these contexts (Geissdoerfer et al., 2018).

In developing economies, where rapid industrialization and urbanization often occur alongside significant socio-economic challenges, implementing circular economy principles can foster innovative business strategies that not only enhance competitiveness but also contribute to environmental sustainability and social equity (Kirchgeorg et al., 2021). For instance, countries like Kenya and India are increasingly exploring ways to integrate circularity into their business models, showcasing a growing recognition of the economic and environmental benefits that sustainable practices can yield (Zhong et al., 2020).

This research paper aims to examine the interplay between sustainable business practices and the circular economy in developing economies and it explore how businesses can effectively transition towards circular models while addressing local and global sustainability challenges. Additionally, the paper discusses policy implications and provided case studies that illustrate successful implementations of such practices, offering a comprehensive understanding of the potential pathways to a more sustainable and resilient future in these regions.

Keywords: Waste Reduction, Resource Efficiency, Sustainable Supply Chain

This research will address critical questions regarding how businesses can effectively transition to sustainable practices in developing economies. Specifically, it will examine the following objectives:

Waste Reduction: Identify strategies that businesses can implement to minimize waste generation, including the adoption of cleaner production techniques, waste valorization practices, and the promotion of a circular mindset among employees.

Resource Efficiency: Analyze opportunities for improving resource efficiency through innovative processes, product design, and lifecycle thinking that prioritize sustainability and resource conservation.

Sustainable Supply Chains: Explore how organizations can create sustainable supply chains that promote ethical sourcing, reduce carbon footprints, and enhance the overall sustainability of their operations.

By highlighting best practices and successful case studies, this research aims to contribute valuable insights and practical recommendations to business leaders, policymakers, and academics interested in fostering sustainable development in emerging markets. Ultimately, the integration of circular economy principles into sustainable business practices is essential not only for individual business success but also for the long-term viability of economies and ecosystems in the developing world. Through this study, I seek to build a comprehensive understanding of the pathways toward sustainability in the context of developing economies, aiming to inspire actionable change that can lead to a more sustainable and equitable future.

RESEARCH PROBLEM STATEMENT

In recent years, the increasing recognition of environmental degradation, resource depletion, and climate change has highlighted the urgent need for a transition towards sustainable business practices and the adoption of circular economy principles, particularly in developing economies. However, despite the global push for sustainability and circularity, businesses in these regions often struggle to implement effective strategies that align with these objectives. The challenges they face include limited access to financial resources, inadequate infrastructure, insufficient regulatory frameworks, and a lack of awareness regarding sustainable practices.

Moreover, many businesses operate within traditional linear economic models, where the concepts of waste reduction, resource recovery, and sustainable production are not fully integrated into their operations. This not only hampers their competitiveness but also perpetuates environmental harm, stifles innovation, and ignores the potential for economic growth through sustainable initiatives.

Consequently, there is a significant gap in the understanding of how businesses in developing economies can successfully transition to sustainable practices and harness the principles of a circular economy. Existing literature has primarily focused on developed economies, leaving a critical need for evidence-based research that addresses the unique contexts, barriers, and opportunities relevant to developing countries.

This research proposal aims to address this gap by exploring the current state of sustainable business practices within developing economies, identifying the challenges faced by these businesses in transitioning to circular economy principles, and proposing actionable solutions that can facilitate this transformation. Ultimately, this research seeks to contribute to the theoretical frameworks surrounding sustainability and circular economy while providing practical insights that can enable businesses to thrive economically and environmentally in the face of global sustainability challenges.

Research Questions

This research proposal aims to investigate the intersection of sustainable business practices and circular economy principles in developing economies. To guide this study, the following key research questions have been formulated:

What are the current sustainable business practices adopted by firms in developing economies?

This question seeks to identify and categorize the types of sustainable practices implemented by businesses in these regions, examining their prevalence and effectiveness.

What barriers do businesses face when transitioning to sustainable practices and integrating circular economy principles in developing economies?

By exploring the obstacles such as financial constraints, inadequate infrastructure, and lack of public awareness this question aims to understand the challenges that hinder the adoption of sustainable practices.

How can businesses effectively reduce waste through the application of circular economy principles?

This question will investigate specific strategies for waste reduction, including waste minimization techniques, recycling initiatives, and sustainable product design.

What role does resource efficiency play in the transition to sustainable business practices within the context of a circular economy?

Focusing on resource utilization, this question will analyze opportunities for businesses to enhance their resource efficiency and productivity while minimizing environmental impacts.

Hypotheses

In addition to the research questions, the following hypotheses may be posited to guide the investigation:

H1: Businesses that implement sustainable practices will experience increased operational efficiencies and improved brand reputation compared to those that do not.

H2: The primary barriers to adopting circular economy principles in developing economies are lack of financial resources, inadequate infrastructure, and limited awareness among business leaders.

H3: Companies that prioritize waste reduction strategies as part of their circular economy initiatives will achieve significant reductions in operational waste and costs.

H4: Resource-efficient practices will lead to higher levels of profitability and competitiveness for businesses operating within circular economy frameworks in developing economies.

H5: Engagement and collaboration among stakeholders, including businesses and governments, will enhance the success rate of sustainable business practice implementations in developing economies.

By addressing these research questions and hypotheses, this study aims to contribute to a deeper understanding of sustainable business practices and circular economy principles in developing economies, providing actionable insights for businesses, policymakers, and researchers.

LITERATURE REVIEW

Overview of Sustainable Business Practices and Circular Economy

Sustainable business practices refer to strategies that prioritize environmental preservation, social equity, and economic viability. The circular economy, a model that seeks to minimize waste and make the most of resources, aligns with the principles of sustainability by advocating for a systemic shift from a linear "take-make-dispose" model to one that emphasizes reuse, recycling, and regeneration (Ellen MacArthur Foundation, 2020). Both concepts are increasingly relevant in addressing contemporary global challenges such as climate change and resource scarcity.

The Context of Developing Economies

In developing economies, where rapid industrialization threatens local ecosystems and communities, sustainability and circular economy principles hold transformative potential. Studies indicate that these economies face unique barriers—including limited access to technology, financial constraints, and regulatory challenges—that hinder the adoption of sustainable practices (Giovannone et al., 2020; Sinha & De, 2019). For example, while there is significant recognition of circular economy benefits, many businesses still view sustainability initiatives as a cost burden rather than a strategic opportunity (Bocken et al., 2016).

SUCCESSFUL CASE STUDIES AND FRAMEWORKS

Several frameworks have been proposed to guide the implementation of sustainable practices in developing economies. For instance, the Triple Bottom Line (TBL) model emphasizes the importance of balancing economic, social, and environmental objectives (Elkington, 1997). Research by Kahn et al. (2022) presents successful case studies in countries such as Kenya and India, highlighting how local innovations in waste management and resource efficiency can lead to improved business performance and community well-being. However, these case studies are often underreported, limiting the broader applicability of findings across varying contexts (Lacy & Rutqvist, 2015).

Knowledge Gaps

Despite the growing body of literature on sustainable business practices and circular economy, significant gaps remain, particularly concerning:

Lack of Context-Specific Research: Much of the existing research is centered on developed economies, resulting in a limited understanding of how sustainability and circular economy principles can be tailored to the specific challenges and opportunities of developing countries (Geng et al., 2019).

Siloed Approaches: There is a tendency to examine sustainability practices, circular economy principles, and business operations in isolation rather than as interconnected systems that must be optimized together (Wiener et al., 2021).

Limited Stakeholder Perspectives: Most studies focus on organizational practices without sufficiently considering the roles and perceptions of various stakeholders, including consumers, local communities, and policymakers, in facilitating or hindering sustainable transitions (Hu et al., 2022).

Measurement and Benchmarking: There is a lack of reliable metrics and benchmarks that specifically cater to developing economies, which complicates the assessment of progress in adopting sustainable practices (Kamble et al., 2021).

Research Questions

To address these gaps, this study will explore the following research questions:

What sustainable business practices are currently being implemented by firms in developing economies, and how do these align with circular economy principles?

What are the primary barriers preventing businesses in developing economies from transitioning to sustainable practices and adopting circular economy models?

How do stakeholder perceptions influence the adoption of sustainable practices in developing economies?

What collaborative frameworks can be established to facilitate the transition towards sustainability and circular economy?

Based on these questions, the following hypotheses will be tested:

H1: Businesses in developing economies that adopt sustainable practices experience enhanced operational

efficiency and economic resilience.

H2: Increased awareness and engagement among stakeholders positively correlate with the adoption of sustainable business practices.

H3: Collaborative approaches involving governmental, non-governmental, and private sectors are essential for overcoming barriers to implementing sustainable practices in developing economies.

METHODOLOGY

Research Design

This study will utilize a mixed methods research design, which combines both qualitative and quantitative approaches to provide a comprehensive understanding of sustainable business practices and circular economy principles in developing economies. The mixed methods approach allows for the triangulation of data, which enhances the validity of the findings and offers both breadth and depth in exploring the research questions. The quantitative aspect will focus on gathering measurable data regarding current sustainable practices, while the qualitative component will delve into the subjective experiences and perceptions of various stakeholders involved in these practices.

Data Collection

Data will be collected through three primary methods:

Surveys: A structured survey will be developed and distributed to a diverse sample of businesses operating in developing economies. The survey will include questions on:

Types of Sustainable Practices Currently Being Implemented

Barriers to adopting circular economy principles

Perceptions of stakeholder engagement and support

THE SURVEY will be administered online to reach a broader audience, ensuring that the data collected is representative of the different business sectors.

INTERVIEWS: Semi-structured interviews will be conducted with key stakeholders, including business owners, managers, policymakers, and community leaders. These interviews will aim to explore: Personal experiences and challenges faced in implementing sustainable practices Insights on stakeholder dynamics and collaborative efforts

Overcoming Barriers to Sustainability

A purposive sampling approach will be employed to select participants who have direct experience with sustainable practices in their specific contexts.

FOCUS GROUPS: Focus groups consisting of employees from various businesses and other stakeholders will be organized to facilitate rich discussions about the barriers to sustainability and circular economy practices. These sessions will help capture collective insights and foster a collaborative environment for idea sharing.

Data Analysis

The data analysis will be conducted in two distinct phases, corresponding to the qualitative and quantitative aspects of the study:

Quantitative Data Analysis:

The survey data will be analyzed using statistical software (e.g., SPSS or R) to perform descriptive statistics, correlation analyses, and regression analyses as appropriate. This will help identify patterns, relationships, and significant factors influencing the adoption of sustainable practices and circular economy principles among businesses.

The results will be presented using graphs, charts, and tables to illustrate key findings.

Qualitative Data Analysis

The data collected from interviews and focus groups will be transcribed and analyzed using thematic analysis. This approach will involve identifying and coding recurring themes and patterns related to the experiences and perspectives of stakeholders.

NVivo software may be utilized to organize and manage qualitative data efficiently. A narrative analysis may also be employed to present participants' stories and contextualize their experiences.

The findings from qualitative analysis will be merged with quantitative data to create a comprehensive picture of the challenges and opportunities regarding sustainable practices and circular economy principles.

Ethical Considerations

Ethical issues will be carefully addressed throughout the research process to ensure the integrity and ethical soundness of the study:

Informed Consent: All participants will be provided with a clear explanation of the study's purpose, procedures, potential risks, and benefits. Informed consent will be obtained before participation, ensuring that respondents are fully aware of their rights.

Anonymity and Confidentiality: Participants' identities will be protected by anonymizing data and ensuring that no personal identifiers are included in the final reports. Data will be stored securely and only accessible to the research team.

Voluntary Participation: Participation in the study will be voluntary, and participants will have the right to withdraw at any stage without any negative consequences.

Ethical Review: The research proposal will be submitted to an institutional review board (IRB) or ethics committee for approval to ensure that all ethical standards are met before the commencement of the study.

By adhering to these ethical guidelines and employing a mixed methods approach, this research aims to generate valid, reliable, and contextually relevant findings that can inform and assist businesses in developing economies in their journey toward sustainability and circular economy practices.

Contributions to Academia

Advancement of Theoretical Frameworks: This research will contribute to the burgeoning body of literature on sustainable business practices and the circular economy, particularly in the context of developing economies. By integrating perspectives from both qualitative and quantitative research, the study will enrich existing theoretical frameworks such as the Triple Bottom Line (Elkington, 1997) and the Resource-Based View (Barney, 1991), enhancing their applicability in diverse socio-economic contexts.

Identification of Unique Challenges: By documenting the specific barriers and facilitators unique to developing economies, this study will highlight the contextual nuances often overlooked in existing research primarily focused on developed nations (Geng et al., 2019). This will deepen the understanding of how different factors such as cultural, economic, and regulatory environments shape sustainable business practices.

Interdisciplinary Insights: The mixed methods approach adopted in this study will facilitate a multidisciplinary dialogue among scholars in business, environmental science, economics, and social sciences, ultimately fostering a more holistic understanding of sustainability challenges and opportunities (Ostrom et al., 2010).

Contributions to Policy

INFORMING POLICYMAKERS: The findings from this research will provide empirical evidence to support the formulation of policies aimed at promoting sustainable business practices in developing economies. Insights on stakeholder dynamics and barriers to sustainable practices can help policymakers tailor interventions that enhance support for businesses adopting circular economy models (Parslow et al., 2021).

PROMOTING COLLABORATIVE FRAMEWORKS: The study will outline recommendations for effective collaboration among stakeholders—including governments, businesses, and civil society—thereby facilitating the development of integrated approaches that support sustainability and resilience in developing economies (González et al., 2021).

Contributions To Practice

Guidance for Business Implementation: The research will provide actionable insights for businesses seeking to implement sustainable practices and circular economy principles. By identifying best practices and successful case studies within developing economies, the study will serve as a resource for companies looking to navigate the complexities of sustainable business models (Lacy & Rutqvist, 2015).

Capacity Building: The potential development of promotional materials based on the study's findings can assist businesses in developing capacities for sustainability, offering workshops, guidelines, and toolkits designed to aid in the adoption of circular economy practices (Schmidt et al., 2021).

Contributions To Society

Socio-Economic Benefits: By fostering the adoption of sustainable practices, this research aims to contribute to broader socio-economic development goals such as job creation, improved resource management, and environmental conservation, ultimately supporting the achievement of the Sustainable Development Goals (SDGs) (United Nations, 2015).

Raising Awareness: The findings will serve to raise awareness among stakeholders—including consumers, public institutions, and community organizations about the importance of sustainable business practices and their role in fostering a circular economy, which can lead to increased engagement and participation in sustainability initiatives (Whelan et al., 2022).

IMPLICATIONS OF FINDINGS

The potential implications of the study's findings extend to reshaping business attitudes toward sustainability, enhancing the effectiveness of policy interventions aimed at promoting circular economies, and fostering a supportive ecosystem for businesses operating in developing economies. By addressing knowledge gaps and highlighting the interconnectedness of economic, social, and environmental dimension, the research will serve as a catalyst for change, inspiring enduring practices that can lead to sustainable development.

CONCLUSION

In conclusion, the sustainable business practices within the circular economy framework present a transformative opportunity for developing economies. As illustrated throughout this paper, adopting circular economy principles allows businesses to not only mitigate environmental degradation and resource scarcity but also to enhance operational efficiency and drive economic growth. The empirical evidence from various case studies demonstrates that organizations can thrive by prioritizing sustainability, thereby contributing to both economic resilience and social equity (Geissdoerfer et al., 2018; Kirchgeorg et al., 2021).

However, the successful implementation of these practices requires a collaborative effort among stakeholders, including governments, businesses, and civil society. Policymakers play a crucial role by creating enabling environments that incentivize sustainable innovations and facilitate the transition towards circularity (Porter & Kramer, 2011). Furthermore, education and capacity building initiatives will be pivotal in empowering local communities and businesses to adopt sustainable methodologies and recognize their benefits (Zhong et al., 2020).

Overall, the alignment of business practices with the principles of a circular economy offers a pathway to sustainable development that is both practical and aspirational. By embracing this approach, developing economies can effectively navigate the complexities of globalization while ensuring a sustainable and equitable future for all stakeholders involved.

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