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Circular Entrepreneurship as enhancer for the Sustainable Development of Emerging Markets

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ABSTRACT:

In today's global context, Circular Entrepreneurship emerges as a catalyst for the Sustainable Development in the international business scope, especially for Emerging Markets. Within this context, the importance of Emerging Markets enhancement has shifted the attention of policymakers and international players towards supporting the potential of entrepreneurial activity within the scope of Sustainable Development. In the past, studies have demonstrated the multiple benefits arising from the relationship between Circular Economy and Sustainable Development, however, no previous study has shown the positive outcomes and potential that the effective implementation of Entrepreneurial activity based on Circular Economic principles has for the Sustainable Development of Emerging Markets.

Through a cross-case analysis this study aims to understand the role that Entrepreneurship based on the principles of Circular Economy have within the economic, social, and environmental scopes of the Sustainable Development of an Emerging Market. In detail, this thesis analyses the context of Mexico's Sustainable Development as an emerging market by answering the question *How does circular entrepreneurship enhance the sustainable development of emerging markets?* Moreover, this thesis aims to identify the opportunity areas of the entrepreneurial activity in order to boost their potential through the unique challenges that emerging markets like Mexico face.

The findings show that despite the difference between economic landscapes, when comparing the enhancement of Sustainable Development of the entrepreneurial activity based on the Triple Bottom Line success factors for implementation, emerging markets-based business are capable of enhancing the sustainable development of its region even within the context of the unique challenges that emerging markets have. This study holds relevance for policymakers, institutions, and entrepreneurs, who's understanding of the key enablers for Circular Entrepreneurship, could potentially unlock new opportunities, projects and/or foundations that attempt to make progress towards a transformative milestone in the Sustainable Development agendas of Emerging Markets.

KEYWORDS: Circular Entrepreneurship, Emerging Markets, Circular Economy, Sustainable Development.

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Abbreviations

Abbreviation	Full Form or Meaning
CE	Circular Economy
C2C	Cradle-to-Cradle
EAPD	Economic Analysis and Policy Division
ECLAC	Economic Commission for Latin America and the Caribbean
GDP	Gross Domestic Product
ICLS	International Conference of Labor Statisticians
IMCO	Mexican Institute for the Competitivity
MNC	Multi-National Companies
SD	Sustainable Development
SME	Small Medium Enterprises
UNDESA	Department of Economic and Social Affairs of the United Nations Secretariat
UNEP	United Nations Environment Programme

1 Introduction

In the contemporary global landscape where international business and sustainable development merge, the paradigm of circular entrepreneurship emerges as a core enabler for the sustainable development agenda in emerging countries (Mehrotra & Rupa, 2022). Within this context, emerging markets have become the center of attention of international agents and policy makers for the implementation of sustainable practices thanks to their potential growth and exponential impact in the global economy (Nayak & Pillai, 2022).

From the 1930's, the exponential growth in the industry has led to an increasing consumption and extractive economies (Ellen MacArthur Foundation, 2015). However, as the global population doubles in size by 2050, we can no longer revert the effects of a misbehaved consumption of natural resources but can only delay an inevitable scenario (Ellen MacArthur Foundation, 2015). In the present-day, several policies around the world have attempted to reduce the impact of a long-mishandled economy, however, even in the most developed regions, the current economy still has room for improvement. For example, in Europe only 5% of raw material is recovered from waste-based energy (Ellen MacArthur Foundation, 2015, p.3)

While governments and policymakers have made the environmental impact the focal point of circular economy, there is a broader landscape of areas such as social impact, innovation and competitiveness, and global collaboration where this economic model has the potential of generating a positive impact towards the development of global economies.

By understanding the role of Circular Entrepreneurship in the Sustainable Development of Emerging Markets, governments, policymakers, international enterprises, and global agents will become aware of the potential impact that circular entrepreneurship can achieve and transition the current business practices towards a more inclusive, sustainable, and conscious way of doing business.

Now, Circular Economy is considered to be an alternative economic model that promotes sustainable development (Urbinati et al., 2017). According to the Economic Commission for Latin America and the Caribbean (ECLAC)(2018), this economic model provides long-term prosperity by creating closed-loop systems aiming to eliminate waste and reduce pollution (Schaltegger and Wagner, 2011). On the other hand, while Entrepreneurship is the process of identifying and developing new business ideas (Dantas, et al. 2022), Circular Entrepreneurship refers to the creation of businesses that operate within the circular economy (Alpsahin & De Angelis, 2021).

Today, developed nations have been able to successfully transition from a linear economy towards circular economy (United Nations, 2022). According to the World Economic Situation and Prospects (2022), developed economies, are economic regions characterized by their high GDP rate growth and Security, namely, Finland, United States, Japan, and Australia. On the other hand, while there is no official definition for “*Emerging Markets*”, the International Monetary Fund (IMF) describes an emerging market as the economies that are transitioning from a low-income state into a modernized industrialization and rapid economic growth (Duttagupta & Pazarbasioglu, 2021).

Currently, the contrast between developed economies and emerging markets is distinguished by the disparity between their industrialization, technology and infrastructure, and income levels (United Nations, 2022). Despite the inequality in both economies, developed nations and emerging markets stand in common ground in addressing the challenges of environmental degradation and resource management (World Bank, 2022).

Within this framework, circular economy acts as a key enhancer in the sustainability of entire markets, however, unlike developed countries where the transition towards circular economies has been possible thanks to the government support, emerging markets struggle to effectively implement this economic model due to the disparity between the large population and the resource limitations (Andres & Dobson, 2011). For example, despite several efforts of implementing sustainable policies, Mexico is an emerging market that possesses great potential of

sustainable development (World Bank, 2022). In this context, circular entrepreneurship has the potential to contribute towards the sustainable development of the country, given that by 2030, circular economy has the capacity to generate 4.4 million jobs in Mexico (ECLAC, 2018).

In contrast, developed countries like Finland, have successfully transitioned towards the circular economy and sustainable development. Although, Nordic countries are known for their high tax rates and economic equality, market stability and high employment rate are strengthened thanks for the efficient policy on the sustainable development of their economic models (Salo, et al., 2021). The support system from their policymakers and governance have achieved the shift from linear economy towards circular economy. The benefits arising from an effectively implemented circular economic practices have positioned the country among the strongest and well-developed in the global market (Sutela, 2019).

1.1 Research Gap

While existing literature prove that large corporations are capable of creating benefits based on the synergy between Circular Economy and Sustainable Development, however, little to no evidence has shown that positive outcomes arise from the effective implementation of Entrepreneurship based on Circular Economic principles in the Sustainable Development of Emerging Markets. Often, when researching about Circular Economy and Sustainable Development, most of the studies incline exclusively towards the impact of large corporations in the economic or environmental dimensions, leaving aside the social aspect.

The importance of closing this research gap extends beyond entrepreneurs committed with the sustainable development of their country. It also holds relevance for government, institutions, and international agents for the understanding of key factors that could enhance the potential growth of an entire country if implemented correctly. Furthermore, a positive outcome from this research could serve as a pivotal point for initiating discussions, projects, and foundations that

attempt to pave the way towards a transformative milestone in emerging markets' sustainable development agendas.

Previously, several studies have acknowledged sustainable entrepreneurs in the efforts of reaching their sustainable development goals, however, most of these studies originate from already developed economies, as they are United States, The Netherlands, United Kingdom, and Germany, which results in an insight limitation on the unique challenges and opportunities of the emerging markets (Nayak & Pillai, 2022).

1.2 Research Question and Objectives

Sustainable development has now become a compulsory topic in nearly almost every country's agenda. Through a multifaceted exploration of the economic, environmental, and social scopes of the sustainable development, the primary objective of this research is to explore whether circular entrepreneurship enhances the sustainable development of emerging markets by responding to the research question:

RQ. How does circular entrepreneurship enhance the sustainable development of emerging markets?

To respond to the research question, through the subobjectives, this thesis aims to support the understanding the performance of circular entrepreneurship in the sustainable development of emerging markets by:

- Understanding the synergy between circular entrepreneurship and sustainable development.
- Comparing the contributions of an effective implementation of circular entrepreneurship in Mexico as an emerging market with Finland as an established market.

- Identify the opportunity areas where emerging markets can develop further to improve their sustainable development agenda.

1.3 Limitations

The finding and conclusion of the study need to be considered under the scope of the following limitations. The first encountered limitation is the contextual disparity in emerging countries. This means that, while this study researches about emerging countries, it exclusively analyzes a specific country. More in detail, it is important to understand that not only culture is a key factor in the development of a country, but simultaneously, the number of international treaties that the country in context has, the geographical limitations, and the relationships with other countries will differ among nations. For this reason, we cannot imply that this study can be applicable or replicable in other emerging countries.

Secondly, the high level of informality in the Mexican entrepreneurship is considered a limitation. The reason behind this statement, relies on the fact that in Mexico, a considerable percentage of entrepreneurship projects and businesses operates within the informal sector. Currently in Mexico, informal activity is not considering for the official Gross Domestic Product (GDP) calculations, therefore, while the study may suggest a positive economic contribution to country's the sustainable development, the lack of data in the official statistics limits the ability to accurately represent its real impact.

Thirdly, the contributions of circular entrepreneurship may differ across industries. For this reason, generalizing the results to all industries may not be viable due to the diversity and dynamic in approaching circular economy on each industry. Lastly, the absence of a former institution supporting the present research, limits the information to an unofficial level. More in detail, the information collected from the interviewees are results derived from their personal opinions and insight. It is important to highlight that these views are limited to an individual perspective and

under no circumstance represent an official stance or endorsement from any Mexican federal institutions or regulatory bodies.

2 Literature Review

The literature review presented below provide a structure for comprehending the foundations of the circular economy in a variety of contexts. Furthermore, by implementing the foundations of the circular economy, policymakers and stakeholders can work towards a more sustainable and resilient economy that promotes the efficient use of resources and minimizes waste and pollution.

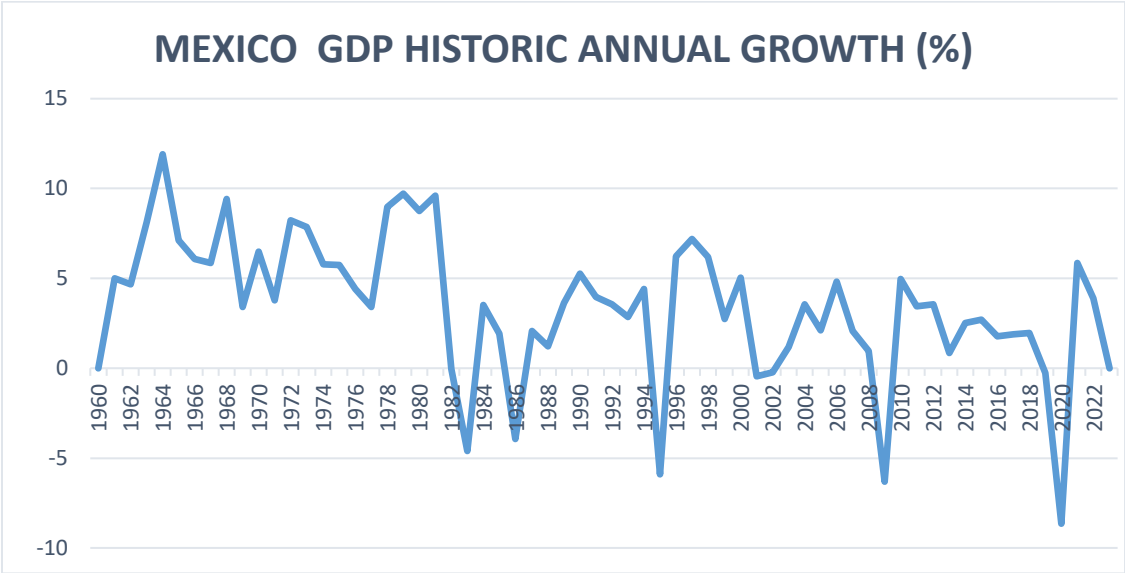
2.1 Mexico as an Emerging Market

According to the World Bank (2023), the interesting phenomenon of Mexico as an emerging market is that, despite the richness in natural resources and great geographical position, the Mexican economy seems to move in a slow pace when compared to other emerging markets.

To better understand the issue behind the Mexican economy, it is important to emphasize that Mexico's GDP cannot be considered accurate due to the high levels of informality on its workforce (World Bank, 2023). The potential of the contribution in the global sustainable development relies on the fact that Mexico is home to 126 million people, positioning as the second largest economy in Latin America (INEGI, 2020; World Bank, 2023).

The data presented in Table 1, allows to picture the historic declining trend on the Mexican GDP with a decrease of 10% only from 2019 to 2020. What can be perceived from the above data is that, while in the 2020, the Mexican economy was highly affected, although an economic regression is considered a negative outcome of the 2020 phenomena, overall gives to the country a potential opportunity to boost through circular economic measures their economic landscape.

Table 1. Mexico's Declining GDP Growth Trend (World Bank, 2023).



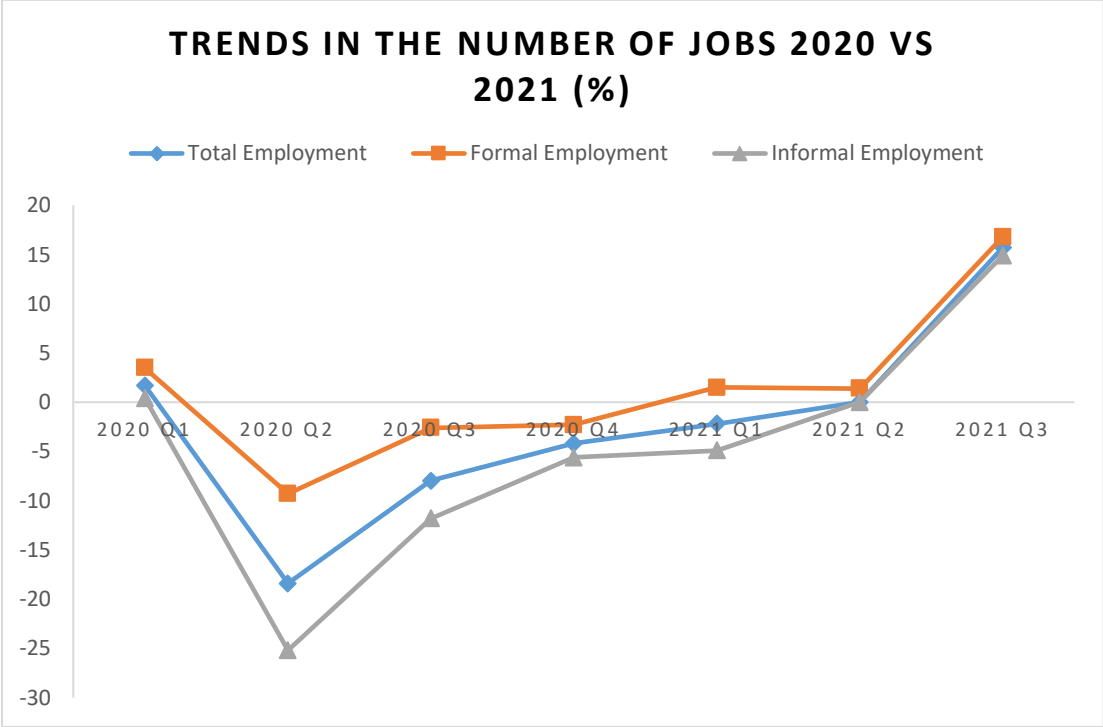
One of the most challenging barriers in emerging markets to overcome the pursuit of sustainable development is the informal employment. In particular, informal jobs in the form of entrepreneurship hold a significant cultural importance in Mexico, meaning that, informal jobs play a unique role in the production and income generation of the entire country (ILOSTAT, n.d.).

For example, as stated by the Mexican Institute for the Competitivity (IMCO) (2021), eight out of ten entrepreneurs operate informally, this represents an important opportunity window for development for Mexico considering that 23.1% of the GDP derives from informal jobs (INEGI, 2023). It is important to highlight that six out of ten workers, and four out of five companies operate in the informal economy, on where contrary to the climate of opinion, informal jobs have not decreased over time but have been increasing in several countries instead (ILOSTAT, n.d.). Informal economies are typically derived from a high poverty level, gender inequality, and a high unemployment, nonetheless, COVID-19 has also made a great impact on the informal jobs increment in Mexico (ILO, 2015).

As illustrated on the below Table 2, by the third quarter of 2021 although formal employment increased by 16.8% since 2019, informal employment increased at almost the same speed with

a 14.9%. However, the exponential increment of informal jobs after COVID-19 have been significantly higher in the context that, informal employment increased nearly 41% from the lowest recovery point on the second quarter of 2020, compared to the formal employment with a milder recovery point of only 26.1%.

Table 2. Trends in the number of jobs (ILO, 2015)



The 17th ICLS (International Conference of Labor Statisticians), describes the concept of informal employment as all forms of income-generating labor where a lack of registration under established regulatory frameworks exists, where either a wage employment or self-employment takes place (ILO, 2003). Moreover, informal workers do not perceive any type of social protection, workers’ representation, social benefits, nor employment contracts (ILO, 2003). Informality is mainly a governance issue. The trending growth on informal jobs is derived from an inappropriate, ineffective, and misguided implementation of macroeconomics and social policies which frequently lack of appropriate governance frameworks (ILO, 2015). Additionally, informal

economies not only affect informal jobs, but also can create a negative impact in the social and environmental development of the country.

Within this framework, although a great share of the Mexican economy is constituted by self-employment, the prevalence of informal employment, however, creates an obstacle for circular economy and sustainable development to achieve synergy (IMCO, 2021). Overcoming the prevalence of informal jobs is necessary for enhancing the sustainable development in the country (ILOSTAT, n.d.). However, empirical evidence has shown that informal economic sectors in the developing and transition economies are able to co-exist and simultaneously achieve sustainability and good performance in parallel with the expansion of formal economy (ILO, 2015).

2.2 Finland as an Established Market

As of 2024, Finland counts with a 5.6 million population which allows the government to have a better administration of the distribution of its resources per habitant when compared to large populated countries like Mexico, that has a population of 126 million (Sutela, 2024)(INEGI, 2020). Historically, Finland has maintained a steady GDP growth on where its expansion periods are driven by the industrialization and technological advancements (Statistics Finland, 2022). This has allowed the country to be amongst the worldwide highest GDP per capita (Sutela, 2024).

More in detail, the multiple efforts towards sustainable development has granted the Finnish economy to be considered a successful example of the transformation from a traditional linear economy into a circular economy (Hosseinian, Ylä-Mella & Pongrácz, 2021). That is so, that by 2050 the government aims to be leader country in circular economy through sustainable food systems, technical and bio-based loops, transports and logistics, and common actions (Hosseinian, Ylä-Mella & Pongrácz, 2021). Finland is considered a developed country with a stable economy (United Nations, 2024). The key factor behind this success is due to its high-educational

levels, which have granted the population to foster a culture for innovation and entrepreneurship (Statistics Finland, 2022).

Although, entrepreneurship is highly encouraged by the Ministry of Economic Affairs and Employment through multiple incentives and start-up grants, the formal employment in a well-regulated and highly protected labor market is still predominant in the country thanks to the multiple benefits arising from the labor laws, unions, and security systems in the country (Sutela, 2024). As a result of this, there is only 1-3% of informal employment outside labor legislation (Sutela, 2024).

In general, Finland is recognized as a developed country and stable market for entrepreneurial success thanks to the support of the government policies (Toivanen, 2011). In detail, the country has created a reliable educational system and knowledge in commercialization that has been key factor for the achievement of sustainable development (Toivanen, 2011).

2.3 Sustainable Development

Although there is no official definition for Sustainable Development, the World Commission on Environment and Development describes Sustainable Development to be the development that satisfies today's generation needs, without sacrificing the opportunity of fulfilling the demands of the future generations (EUR-Lex, 2023). Moreover, the Sustainable Development aims to adjust the economic development with the synergy of a social and environmental relationship (EUR-Lex, 2023).

While the concept of sustainability is not exactly new, recognition for this from policymakers and international companies has increased in recent years. The term derives from the French language, on which the verb "*soutenir*" means "*to hold or support*" (Geißdörfer, et al., 2019). This word has been set into the ecology context, on which the respect for the nature's ability to reconstruct itself became the principle behind the term Sustainability (Geißdörfer, et al., 2019).

Although there are more than 300 definitions for this term, most of them touch common ground by stating that sustainability is the ability of the human being of transforming and optimizing its lifestyle without putting in risk the ability of future generations to continuously satisfy their well-being, health, and security with the same non-replaceable resources (McMichael et al., 2003).

2.3.1 Sustainable Development Goals

Created by the United Nations, the Sustainable Development Goals act as an effort to boost the sustainable development of the countries (Brown & Rasmussen, 2019). For instance, these countries have now a clear way towards achieving their own sustainable agendas. By utilizing several metrics and indicators, nations are able to measure their progress towards accomplishing their market development.

For example, on the Economic scope, the economic sustainability is often measured through Gross Domestic Product (GDP) growth, employment rates, poverty levels, and economic diversification (UNCTAD, 2023). These metrics provide the countries with main insights towards the sustainability level of their economy. However, other indicators might advise on trends and patterns that can imply certain level of economic sustainability, namely, investment on research and development, infrastructure development, and financial stability (UNCTAD, 2023).

On the Social scope, sustainability can be measured through human well-being, and equity related aspects. A good example of these is the access to education, healthcare, share of women in managerial positions, social mobility, or employees' wages and benefits (UNCTAD, 2023). Furthermore, the Human Development Index (HDI) by the United Nations Development Programme (2024) is of a great start point for countries to measure their social sustainability levels, and opportunities.

Lastly, it is possible to measure the Environmental scope of Sustainable Development through several indicators that assess the integrity of the natural ecosystems while simultaneously

evaluating the human impact on these. According to the United Nations Trade & Development (UNCTAD) (2023), greenhouse gas emissions, water recycling and reuse, waste generation, and land use change, are just few of many indicators that can be used as reference for the environmental sustainability of a country.

Among the SDGs we can find the eradication of extreme poverty (1), inclusive and equitable education quality throughout all levels (4), achieve gender equality (5), promotion of mental and physical health (3), and build of strong economic foundations (8) (United Nations, n.d.). However, we can also find goals such that align with the circular economic principles as they are clean water and sanitation (6), sustainable cities and communities (11), responsible consumption and production (12), climate action (13), life below water (14), and life on land (15) (United Nations, n.d.).

Historically, the roots of Sustainable Development date back to 1992 (United Nations, n.d.). During the Earth Summit in Rio de Janeiro, Brazil, 178 countries created a worldwide partnership for the world's sustainable development with the objective of improving the human life and protect the environment through an adopted plan of action called *Agenda 21* (United Nations, n.d.). As a result, in 2015, the United Nations adopted the *2030 Agenda for Sustainable Development* where seventeen Sustainable Development Goals (SDGs) were created as part of the need for integration of environmental and development goals through a *People, Planet and Prosperity* framework (Brown & Rasmussen, 2019).

For instance, through a *People* point of view, this Agenda aims to eradicate all forms of poverty and hunger by ensuring that all human beings are able to fulfil their potential in a healthy environment, on the other side, through a *Planet* context, the United Nations is determined to implement sustainable production and consumption chains with the overall objective of protecting the planet from degeneration, and lastly, through a *Prosperity* angle, the UN aims to achieve a harmonious transition of social, technological, and economic progress where human beings are capable of enjoying fulfilling lives (United Nations, n.d.).

While each country faces different challenges, the seventeen SDGs are design to cover several topics across the *People, Planet and Prosperity* context, where all economic landscapes are included as they are vulnerable countries, least developed countries, emerging countries, developed countries, among others) (United Nations, n.d.).

The “*People, Planet and Prosperity*” framework outlined by the United Nations, shares common ground with the “*triple bottom line*” model. While the concept was not invented by an individual author, it has been the contribution of several authors and academics that has developed the concept to what is known as of today.

2.3.2 The Triple Bottom Line model

The Triple Bottom Line is first brought by John Elkington (1997) and is described as a model that englobes the sustainable development of a company onto three different dimensions: Economic, Social, and Environmental. This framework has become internationally accepted for measuring the overall performance of businesses and organizations in terms of economic, social, and environmental factors (Elkington, 1997).

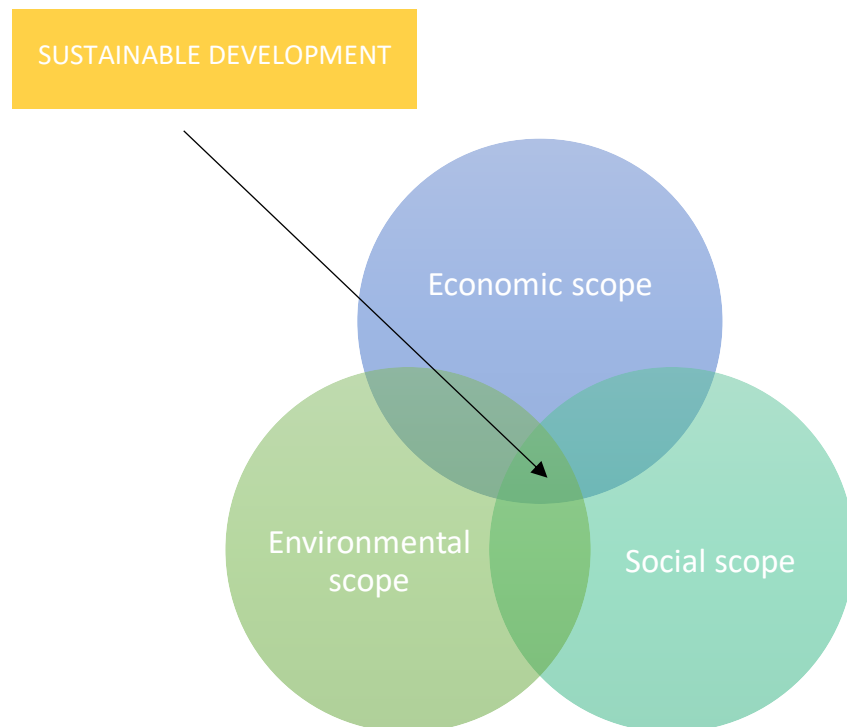
In detail, the *Economic* scope of the framework analyses the financial performance of an organization by taking into consideration the value creation through the efficiency and profitability of the company. In other words, it is expected for a company to operate in such way that ensures the long-term profitability without damaging the society nor the environment (Elkington, 1997).

In terms of the *Social* scope, this angle evaluates the impact of the organizations on the society. More in detail, the companies are expected to engage and contribute to the society either by promoting the diversity, well-being, and inclusion throughout the supply chain (Elkington, 1997).

Lastly, the *Environmental* scope focuses on the environmental impact of the organization's activities. While the organizations are encouraged to adopt a more environmentally friendly mindset, they are also expected to consider a good resource management, and measure their environmental impact (Elkington, 1997).

For instance, the Figure 1, illustrates the concept behind the Triple Bottom Line framework. In detail, it explains that, for a business to be able to generate an impact in the sustainable development, it must create an impact or contribution towards the economic, environmental, and social scopes, on which its synergy enhances the sustainable development.

Figure 1. Triple Bottom Line (Elkington, 1997).



Later on, Elkington (2004) explains that in the modern century, it will be the business sector the one with the potential to make a change in the sustainability landscape of the globe, though, it

will be an unprecedented challenge, there are seven factors that will influence the transition towards the new sustainable revolution:

1. **Markets** – The shift towards more sustainable markets involves the competition. In detail, business that operates within markets that are open for domestic and international competition tend to have higher chances of survival. Furthermore, companies are now expected to meet the demands of environmentally conscious consumers and therefore, companies need to invest and modify their current business practices to accommodate the sustainable agenda of the market needs.
2. **Values** – There is a growing significance of integrating ethical values into the daily business practices. In detail, this involves adopting principles namely, transparency, accountability, and social justice, which have the power of modifying the decision-making process of a company.
3. **Transparency** – The journey towards sustainability requires business to be more transparent about their initiatives, operations and impacts. This includes the clear communication of environmental and social performance.
4. **Life-cycle Technology** – This factor highlights the importance of improving the business' life-cycle production, from the raw material to the disposal. In detail, it is expected for companies to integrate technological features that promote the circularity of final products with the objective of decreasing the environmental harm throughout the product's life.
5. **Partnerships** – Achieving sustainability is not a one player game. For instance, it requires for strategic collaboration between various stakeholders. These could be businesses, non-governmental organizations, associations, governments, and communities. These

partnerships could potentially generate knowledge, and/or resources, to combat sustainability challenges.

6. **Time** – The sustainable achievement requires businesses adopting long-term goals, which requires of the development and on-going efforts and improvements over time, rather than short-term gains.
7. **Corporate Governance** – An effective governance structure is essential for achieving sustainability. This includes good corporate policies, practices, decision-making process and accountability at all levels of the organization.

In summary, the Triple Bottom Line model encapsulates the impact of a business' operations within the sustainable development of its region. While the Triple Bottom Line framework mainly focus on the performance of the company, it is the support from stakeholders, government policies, labour policies, security, and the industry the key enhancers for governance and market change in the 21th century (Elkington, 2004).

On this context, the Table 3, pictures the similarities and differences between the Triple Bottom Line and the People, Planet and Prosperity framework. On the first column from left to right, the scopes of the People, Planet and Prosperity framework are described, while on the second column the three dimensions of the Triple Bottom Line are defined. Lastly, on the third column, an analysis of the similitudes from both frameworks is shortly described.

This table, provides not only a better understanding of the structure of both models, but also helps the reader to understand that the sustainable development can only be successfully achieved by generating value through the three scopes of both previously mentioned frameworks

Table 3. People, Planet & Prosperity vs Triple Bottom Line. Own elaboration.

PEOPLE, PLANET & PROSPERITY VS TRIPLE BOTTOM LINE: COMPARISON AND SIMILITUDES		
PEOPLE, PLANET & PROSPERITY	TRIPLE BOTTOM LINE	
PEOPLE	SOCIAL	COMMON GROUNDS
Relies on the importance of promoting human well-being, quality education, gender equality, and social justice for all communities and individuals.	Highlights the importance of considering the well-being and interests of people in the business operations and decision-making processes.	Both frameworks highlight the importance of the well-being of the society through key topics such as education, community interest, gender equality and social justice.
Key words: Social equity, Well-being, and Inclusivity.	Key words: Well-being, interest of people	
(Brown & Rasmussen, 2019)	(Elkington, 1997).	
PLANET	ENVIRONMENT	COMMON GROUNDS
Emphasizes environmental sustainability and the protection of the Earth's natural resources and ecosystems. Aims for responsible stewardship of the environment, including measures to address climate change, protect biodiversity, conserve water and land resources, and reduce pollution.	Advocates for businesses to minimize their ecological footprint and operate in ways that are environmentally responsible and regenerative through a circular economy and good resources management.	Both frameworks agree that environmental protection and conservation of the plant is a key priority. More in detail, a good use of the resources is elemental for the environment conservation.
Key words: Environmental protection, climate change, resources conservation.	Key words: Environmental responsibility, circular economy, resources management.	
(Brown & Rasmussen, 2019)	(Elkington, 1997).	
PROSPERITY	ECONOMIC	COMMON GROUNDS
Focuses on sustainable economic development and promotes shared prosperity. Emphasizes the importance of fostering economic growth, job creation, innovation, and infrastructure development while ensuring that all members of society, are benefited.	Thrives for the need for businesses to generate profits and create value while simultaneously contributing to societal well-being and long-term prosperity.	Both frameworks stand in common ground by stating that the long-term prosperity and economic growth of the society can be achieved through the economic development, innovation, and value creation.
Key words: Economic development, Economic growth, Prosperity	Key words: Profits, Value creation, Well-being, Prosperity	
(Brown & Rasmussen, 2019)	(Elkington, 1997).	

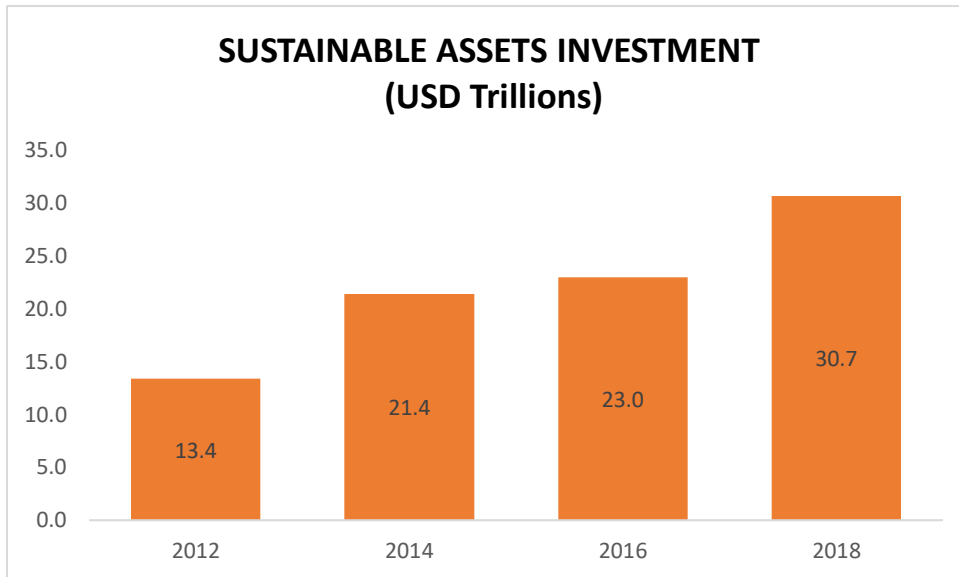
2.3.3 Sustainable Development and Emerging Markets

The importance of the sustainable development in emerging markets relies on the potential growth that these markets can reach and the potential impact that can generate. To do so, emerging markets require of investment on infrastructure, innovation, and technology, and importantly, in education (Ribeiro & Mascotto, 2019). However, emerging markets are simultaneously, exposed to a higher expose of environmental damage, attributed to the absence of opportunities given by the government, the disparity on financial opportunities, and the high levels of informal jobs (Andres & Dobson, 2011).

A success key factor for boosting the potential of sustainable development in the emerging markets is the investment, and this can simply be reached by companies that incorporate the SDG (Sustainable Development Goals) into their business models (Ribeiro & Mascotto, 2019). Moreover, companies that meet SDGs, obtain better growth opportunities, capital investment, higher customer satisfaction, access to new markets, and talent retention when compared to the ones that don't (Ribeiro & Mascotto, 2019).

Overall, these businesses have higher opportunities to change the dynamic of the industry by implementing new sustainable business models, which is estimated that by 2030, Sustainable Development Goals have the potential to generate 380 million jobs 12 trillion USD in market opportunities (Ribeiro & Mascotto, 2019).

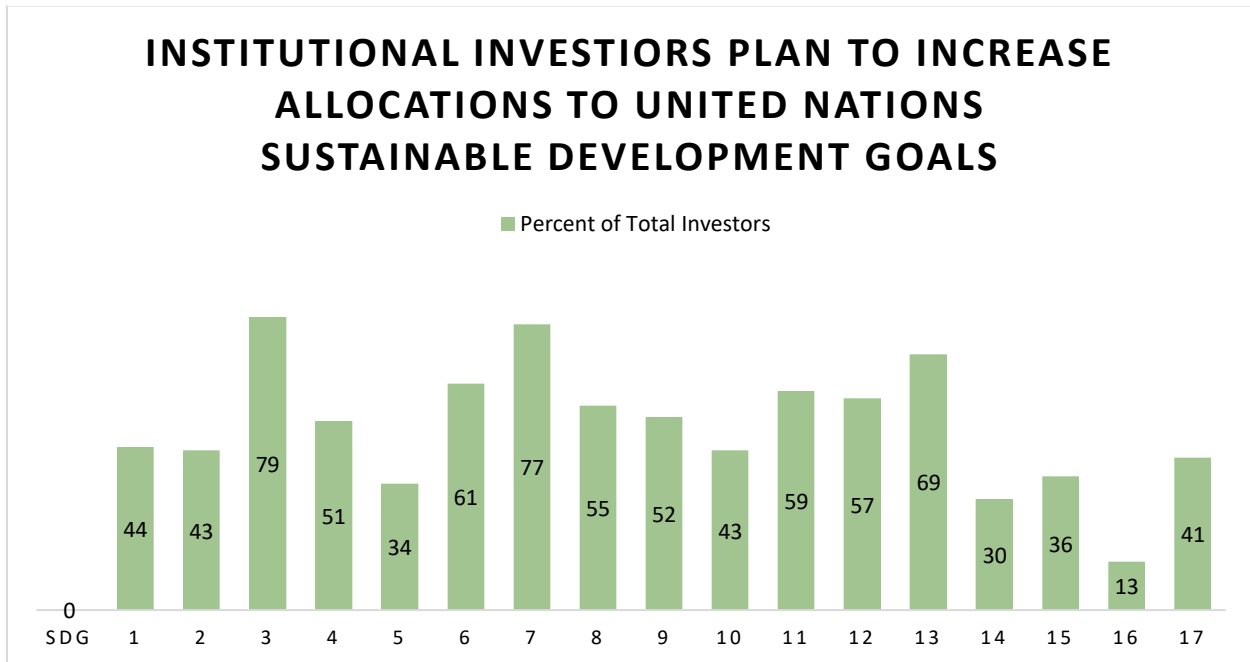
Table 4. Sustainable Assets Investment (ILO, 2015).



As the sustainability information gap is closing, trends on the growth behavior can be perceived, as the number of investments on sustainable assets increase yearly. The Table 4 shows an increase on the investments of sustainable companies located in emerging markets that align with SDG measures. A nearly 100% increase in a period of only six years from 2012 to 2018 implies that emerging markets and sustainable entrepreneurship have a strong relationship with a potential synergy in the sustainable development of these markets.

More in detail, while there is an investment increase on all SDG related sustainable projects, the investment on sustainable projects gravitates around very specific goals of the SDG. For example, a recent study conducted by the Phenix Capital for the American Century Investments, in 2019 shows that investors consider SDG goals for their decision-making process and therefore, investors allocate their money towards goals that have a straight repercussion on the three scopes of the sustainable development (Ribeiro & Mascotto, 2019).

Table 5. Institutional Investors allocations to United Nations SDG (American Century Investment, 2019)



As illustrated on the Table 5, (3) Good health & Well-Being, is the goal with the most investment, followed by (7) Affordable and Clean Energy, (13) Climate Action, (6) Clean Water, (11) Sustainable Cities & Communities, (12) Responsible Consumption & Production, and (8) Decent Work and Economic Growth (Ribeiro & Mascotto, 2019).

Although, the implementation of sustainable practices in the business models on entrepreneurship projects have proved to increase the sustainable development of the market, according to Jhon Elkington (1997) the integration of the three scopes of sustainable development remains a substantial challenge for the 21st century business scenario. In detail, the author explains that due to the instability and unpredictable social, political, environmental, and economic issues of the emerging markets, several barriers arise for the integration of the three scopes of sustainable development (Elkington, 1997).

2.4 Circular Economy

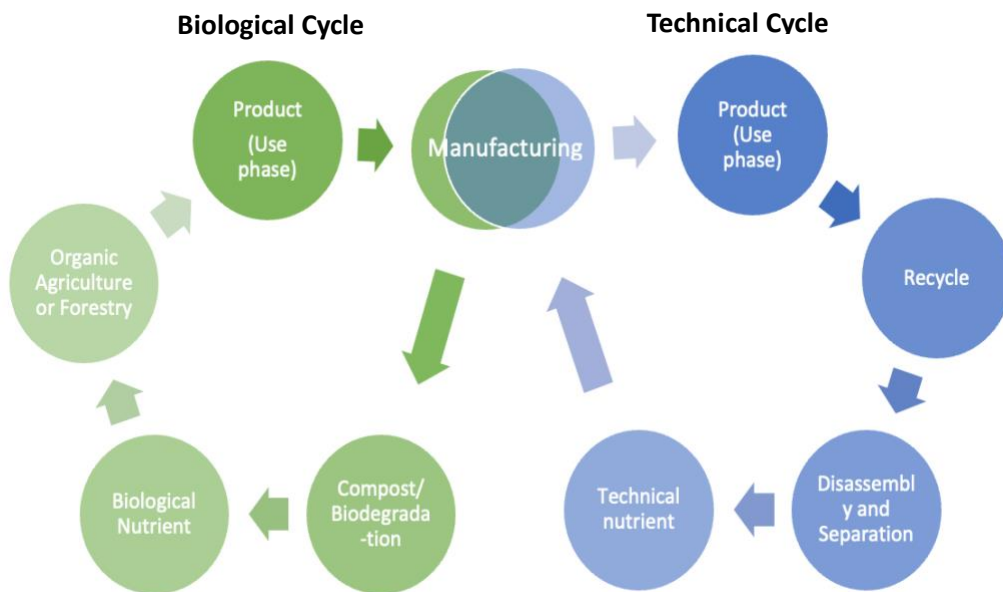
In recent years, the Circular Economy has outgrown a particular interest from policymakers and global players. According to the European Parliament (2015), the Circular Economy is considered an alternative economic model that aims to extend the life cycle of products. In practice, this model aims to reduce the waste of the systems by creating close loops (European Parliament, 2015). This economic model came as part of the sustainable development of the global economy to put an end to the linear economic model.

More in detail, the linear economic model offers an easy availability of materials and energy, and although it has generated an exponential growth in the industries development, the increasing supply chain risks, and volatility in resources, has awoken today business' leaders and policy makers about the unsustainability in the long run of the economic model (Ellen MacArthur, 2015). On the other side, the circular economic model can contribute important benefits to both developed and emerging markets. For example, the efficient implementation of a circular approach can result in a resilient growth and dependency reduction on resource markets for developed economies while for emerging markets, the facility of switching the setup of manufacturing sectors due to a lack of advance economic settlement (Ellen MacArthur, 2015)

On this context, while a linear economic model relies on a *"take, make and dispose"* mindset, the products' life cycle consists of goods manufactured from raw materials, then sold as a one-time single use life, followed by ending their usable life in a short period of time, and being discarded as waste, the circular economic model regenerates and restores the production through the design of closed loops with the objective of prolong the product's life utility, as well as the raw materials and individual components with the longest possible time throughout the supply chain (Ellen MacArthur, 2015).

In the present day, several authors have been influenced by the principles of circularity and have created a variety of models with common grounds and understanding of the idea of the implementation of closed loops with the overall goal of leaning towards a more sustainable lifecycle. Among the most relatable models are the Cradle-to-Cradle (McDonough & Braungart, 2002), and the Regenerative design (Cole, 2012).

Figure 2. Circular Economy System Diagram (Ellen MacArthur Foundation, 2019)



As illustrated on the Figure 1, Ellen MacArthur Foundation has captured the essence of Circular Economy. While the diagram is a composition based on several school of thoughts, the above diagram perhaps represents the flow of materials, components, and nutrients more closely and accurately to the Cradle-to-Cradle (C2C) model designed by Braungart & McDonough (Mohan, 2021). The above diagram provides a comprehensive overview of how circular economic closed loops work.

More in detail, this diagram explains that circular economy relies on two main streams. First, on the right side, there is a loop called “Technical cycle”, this is the process where materials,

products and components flow (Ellen MacArthur Foundation, n.d.). In this loop these materials are prolonged in a way that extend their value throughout different stages of their life cycle (Ellen MacArthur Foundation, n.d.). For example, non-biodegradable materials such as metals, or woods, can undergo through a maintenance cycle followed by reuse or re-distribution, however, if the materials can no longer go through these flows, these can be ultimately recycled and converted into different materials (Ellen MacArthur Foundation, n.d.). As an illustration, a car can be re-used, repaired, and recycled before having to build a new one.

Parallel to the technical cycle, the “Biological cycle” consists of creating value out of biodegradable materials that can go through a cascade process (Ellen MacArthur Foundation, n.d.). For example, organic materials such as household food waste or sewage sludge, can be either composted, or anaerobically digested to extract valuable nutrients as they are nitrogenous, phosphorus, potassium, or micronutrients (Ellen MacArthur Foundation, n.d.). Overall, the Ellen MacArthur diagram (n.d.), provides a solid context to understanding that circular economy aims to get the most value and utility life from the resources that are already available.

Currently, there are several models based on the foundations of circular economy, however, the most known as of today are the Regenerative model and the Cradle-to-Cradle model (Ellen MacArthur Foundation, n.d.).

2.4.1 The Regenerative Model

This model emphasizes the importance of creating a positive co-evolution relationship between natural systems and the man (Cole, 2012). The regenerative design aims to create systems that sow its roots on community engagement and respect for place (Cole, 2012). Unlike several green designs, that aim to reduce the environmental footprint, the regenerative system ideology relies on the act of giving back more than what it receives, because of this, social and environmental capital is expected to grow over time (Cole, 2012). Although the principle of the regenerative

system is understood, there is still a lack of comprehension in the practicality of the model (Cole, 2012).

2.4.2 The Cradle-to-Cradle Model

The C2C (Cradle-to-Cradle) model is developed by William McDonough and Michael Braungart in the 1990s (Mohan, 2021). The C2C stands for the production of non-harmful products created by industrial systems that align with the synergy of the economic, environmental, and social goals (Braungart et al., 2007). More in detail, the C2C is based on the idea of implementing production systems that do not damage the environment by creating zero-waste products or manufacturing products with alternative and sustainable materials (Mohan, 2021).

The term “Cradle to Cradle” is awarded to the architect and industrial analyst Walter R. Stahel in 1946. The idea arises from the opposition of the linear economic system; however, this model was not developed until the 1990s by the architect William McDonough and chemist Michael Braungart (Mohan, 2021). The ideology behind the authors McDonough and Braungart, is to switch from less harmful products towards more sustainable market offers (Mohan, 2021). To obtain the desired sustainability behind this model, the offered products should bring benefits in the health, environmental and economic terms (Mohan, 2021).

McDonough & Michael Braungart (2002) crafted this model based on the idea of creating a complete integration of design and science that could provide long-lasting benefits for the economic, environmental, and societal landscape. In detail, they explain that everything is and can be used as a resource for something else, and therefore, the waste of something, becomes a resource for another through a closed loop lifecycle (McDonough & Braungart, 2002).

2.5 Circular Entrepreneurship

According to Stanford University (2023), the concept of *Entrepreneurship* is considered the creative process of independent parties, or a small association that creates an original new business idea, or commercial opportunity. More in detail, the Center for American

Entrepreneurship (CAE) (2023), states that, this process often either generate a new product, service, process, or improve a method of production. Now, within this context, Circular Entrepreneurship is understood as the creation of businesses that operate within the circular economy principles (Alpsahin & De Angelis, 2021). More in detail, the purpose of circular entrepreneurship is to undertake business initiatives that aim to enhance the social, economic, and environmental aspects of the region by seizing the present opportunities of its surroundings (Del Valle, Perez, Martinez & Meriño, 2017, as cited in Covarrubias, Tapia & Rivera, 2021).

As previously mentioned, the concept of Circular Entrepreneurship arises thanks to the synergy between Circular Economy and the Sustainable Development. Although no author takes full credit for the invention of the concept, it has been the collaboration of several authors, academics and practical applications what have position the Circular Entrepreneurship to what we know of as for today (Nayak & Pillai, 2022).

Several challenges arise along the way in the journey of entrepreneurship in emerging markets, being the government support one of the main challenges (Valliere & Peterson, 2009). For developed countries, a great percentage of the economic growth is attributed to the government's available resources for entrepreneurs, who can explore and implement new businesses with the support of regulatory freedom, unlike emerging markets, where these government funds are often non-existent and therefore, entrepreneurial activity is forced to be developed through informal processes (Valliere & Peterson, 2009).

2.5.1 Circular Entrepreneurship and Sustainable Development

The research of the synergy between circular entrepreneurship and sustainable development is still standing on an early stage (Nayak & Pillai, 2022). Recently, circular entrepreneurship has obtained a strategical position in the development of emerging economies. Its potential goes beyond the economic growth of emerging markets, circular entrepreneurship has the capability of social and environmental development (Nayak & Pillai, 2022). Overall, what differentiates the

circular entrepreneurship from any other conventional entrepreneurial models, namely, social, corporate, green, or traditional entrepreneurship, is that the circular entrepreneurship integrates a triple bottom line perspective, whereas its counterparts are limited to a dual bottom line or simply focus exclusively on a wealth generation (Nayak & Pillai, 2022).

Simultaneously, thanks to the design of closed-loops production lines, circular entrepreneurship can minimize the waste and pollution of products and materials usage by regenerating, instead of degrading the natural ecosystems (Ellen MacArthur Foundation, n.d.) To illustrate these benefits, the efforts towards circularity, has taken Europe to propose that by 2030, their carbon dioxide emission should be minimized a 50% (European Parliament, 2023).

Within the framework of circular economy and sustainable development, the implementation of circular entrepreneurship, has proven to benefit the economic development of businesses by improving the resource-use efficiency, the environmental ecosystems' resiliency, and enhancement of societal equity (Horbach, Rennings & Sommerfeld, 2015). For example, through the effective combination of the implementation of circular emerging activities, together with lower production costs, an increment of revenues that directly influences on the overall global economic growth is created (Ellen MacArthur Foundation, n.d.). Furthermore, these outcomes generate a positive impact on the global employment rate and innovation in the technological development of international companies (Horbach, Rennings & Sommerfeld, 2015).

Implementing circular activities enhance the social, environmental and economic landscape of the market (Elkington, 1997). Therefore, several benefits arise from a correct implementation of circular entrepreneurship, however, among the most common, is that individuals increase their available disposable income among the community as the lifecycle of products extend, which reduces the frequency of the need of purchases and stabilizes their financial households (Ellen MacArthur Foundation, n.d.). In addition, by reducing the obsolescence inherent of products through closed production chains, consumers find less likely to upgrade or replace items, which leads to an enhancement of the sustainable development by adopting a less wasteful consumption behavior (Ellen MacArthur Foundation, n.d.).

Lastly, by embracing the circularity of business, health and environmental benefits arise thanks to the minimizing of exposure to harmful chemicals and pollutants commonly associated with a traditional linear production and disposable methods of products (Ellen MacArthur Foundation, n.d.). Overall, entrepreneurs that base their business on the circular economic principles, contribute to an economic, social and environmental development of the community by innovating, and combining resources for a competitive market (Valliere & Peterson, 2009).

According to Rodriguez (2016, as cited in Covarrubias, Tapia & Rivera, 2021), for an entrepreneurial activity to be considered circular entrepreneurship this has to impact on the three scopes of sustainable development. For example, its initiatives have to generate a positive impact on the environmental scope by offering clean products, innovation on eco-design, or developing a new sustainable technology. On the social scope, the business has to impulse the well-being of the society by generating jobs, fight gender inequality, or implementing human talent management. Lastly, it has to positively enhance the economic scope by fighting poverty and generating jobs, promoting the local suppliers relationships, among others.

2.5.2 Circular Entrepreneurship and Emerging Markets

Nowadays entrepreneurial activity based on circular economic principles has established importance for the sustainable development in emerging countries. These business models aim to adopt a conscious culture of waste reduction, promotion of resources recycling, and promotion of sustainability practices through all of the production and consumption stages (Dantas, Ilyas, Martins, & Rita, 2022).

According to Torres & Rendon (2021, as cited in Covarrubias, Tapia & Rivera, 2021) culturally speaking, the entrepreneurial activity has always been opted as a gateway to battle unemployment, therefore, circular entrepreneurship still has a long way ahead for it to be considered effectively implemented by the social's mindset (Torres & Rendon, 2021 as cited in

Covarrubias, Tapia & Rivera, 2021). Within this context, the entrepreneurship projects are in most of the cases, promoted by institutions, non-governmental organizations, and universities. For instance, entrepreneurship is encouraged to be an individual activity based on innovation, creativity, ambition and effectiveness on production (Lederman et al, 2014 as cited in Covarrubias, Tapia & Rivera, 2021). While in 2018, Mexico had over 4.2 million business units, on which 99.8% of these were considered small and medium business (Torres & Rendon, 2021 as cited in Covarrubias, Tapia & Rivera, 2021). These generated 78% of the national employment and contributed with 42% of the GDP, however these do not take into account the informal employment, and most importantly, as of today, there is no governmental measure that could potentially reflect the sustainability measures of these business units (Torres & Rendon, 2021 as cited in Covarrubias, Tapia & Rivera, 2021).

Under this perspective, it is implied that circular entrepreneurship in emerging countries is considered a new social thought proposal based on promoting the peace, restoration of local cultures, respect for natural resources and all types of lives (Torres & Rendon, 2021 as cited in Covarrubias, Tapia & Rivera, 2021). In detail, circular entrepreneurship is considered as an alternative model proposal to capitalist economic models on which main goal is to satisfy the market regardless of how sustainable their business practices are (Betanzos & Lopez, 2021 as cited in Covarrubias, Tapia & Rivera, 2021).

As previously mentioned, the slow and early-staged shift towards a sustainable culture, together with an unstable government, lack of financial support from government and institutions, high corruption levels, and lack of knowledge and skills are external factors that inhibits the entrepreneurial activity in Mexico, demonstrating that Circular Entrepreneurship has a challenging way ahead towards an effective implementation in Mexico. However, a study conducted by Betanzos & Lopez (2021, as cited in Covarrubias, Tapia & Rivera, 2021) reveals that circular entrepreneurship enhances the sustainable development of the local economy by generating jobs, improving the quality of life of the local community, and boosting the community participation through responsible economy. This demonstrates that circular entrepreneurship if

implemented correctly, has the potential to enhance the economy of multiple local economies leading to an overtime enhancement of a whole economic region.

3 Research Methodology

This chapter describes the methodology implemented in this research. This incorporates a multifaceted approach to the research design, data collection, data analysis, and framework application aimed to address the research objectives of the study.

3.1 Research Design

This thesis explores the circular practices of two businesses within the Wines and Spirits industry from Mexico and Finland through the case of study. A case of study is defined by Yin (2009) as the in-depth empirical examination of a contemporary phenomenon within an existent context. This method allows the reader to deeply understand a business' strategic processes (Yin, 2009).

The approach of this research is a qualitative type, which is an adaptable method that recollects non-quantitative data based on the perspective of individuals and target groups with the objective of exploring and understanding the insights of a complex phenomenon (Creswell, 2014). In addition, descriptive and exploratory scopes are implemented in view of the limited research in the circular entrepreneurship field.

3.2 Selection Criteria

The companies selected for this research are based on several criteria that ensures relevance and comprehensiveness of the research findings. The following criteria was used for the business companies selection.

- **Economic landscape** – The selection of the companies for this study is based on the need to contrast the different economic landscapes. Specifically, one business has to be established in an emerging country by the United Nations World Economic Situation and Prospects (2022), while the second is established in a developed country . This approach

allows the comparative analysis of the distinct economic contexts on which the businesses operate.

- **Industry** – The companies selected must belong to the same industry. For the purpose of this study, the Wines and Spirits industry was the selected industry.
- **Organization type** – The companies selected must have been established as a circular business, and/or operate their business according to the circular economic principles.
- **Availability** – The companies must have availability of participating during the interview time frame between March and April 2024

After approaching ten different companies, that aligned with the criteria of the study, only two companies were selected for the case of study as these narrowed down to the availability of their internal agendas. Cerveza Monterreina, was the business selected for the emerging country, and Kyrö Distillery Company, business selected for the developed country

3.3 Data Collection and Analysis

The primary sources utilized for this research are semi-structured interviews addressed to key stakeholders from a Mexican and a Finnish company. According to Rubin & Rubin (2012), interviews apport valuable data and support to the research thanks to the direct communication with the interviewee. A total of three interviews are conducted to business owners, and people of interest whose practical knowledge in the entrepreneurship, economic and sustainability field contribute to the deeper understanding of the topic and complement the literature review.

Parallel to these semi-structured interviews, a holistic comparative analysis of two companies is incorporated to this research, with the main goal of triangulating data from diverse sources and perspectives. The examination of their organizational structures, sustainable business practices, and strategic approaches, allows a detailed exploration of the enablers of the sustainable

development from the entrepreneurship point of view. Additionally, this research englobes the information available through company reports, press releases, and official statements related to the companies' sustainable business practices, and efforts towards corporate social responsibility.

The secondary data collection consists of a curated literature review through the topics of circular entrepreneurship, emerging markets, and sustainable development with the objective of providing the reader with a basic understanding of these concepts and therefore, an untroubled comprehension of the company analysis on this research.

3.4 Framework Application

The application of a theoretical framework consists of analyzing the collected data through the lenses of the Triple Bottom Line model. The model introduced by John Elkington (1997) provides an understanding of the business' performance within the economic, social, and environmental scopes of sustainable development. In detail, this model has become a commonly adopted approach for businesses and organizations for evaluating their sustainability performance (Elkington, 1997).

By integrating these methodological components, this research is able to identify key insights, similitudes and differences between markets, patterns, and ideally, create meaningful contributions within the entrepreneurship and sustainable development field.

In order to analyze the emerging market landscape, this research selected a country listed as an emerging market by the United Nations. Mexico was the country analyzed based on several factors. First, the diversity in the economic landscape of this country allows a multifaceted analysis of the circular entrepreneurship in the emerging markets spectrum. More in detail, Mexico counts with a wide range of industries where circular economy can be implemented, namely agriculture, technology, and manufacturing. Furthermore, its advantageous geographical location just south from the United States, grants the country with a competitive advantage

against other emerging markets in the continent. Lastly, Mexico is considered to be the second largest economy in Latin America, however, it is still considered a slow-growing economy (INEGI, 2020; World Bank, 2023).

4 Findings

This section introduces the findings of the study. As previously mentioned, this study implements open-ended semi-structured interview questions as primary data collection with the objective of exploring the first-hand experience and perspectives of entrepreneurs and industry experts within the context of sustainable development.

The below Table 6 provides a general overview of the semi-structured interviews that took place for this study as well as the secondary data utilized for the triangulation of information regarding each company case. While two interviews were addressed to business owners, the third interview is addressed to a Wine and Spritz industry expert. This allows to bring an outside and neutral perspective of the entrepreneurial activity within the industry.

Table 6. Interviewees Profiles.

Company	Industry expert	Case A: Cerveza Monterreina	Case B: Kyrö Distillery Company
Interviewee	Laura Aranda	Daniel Rivera-Rio	Miko Heinilä
Job title	Sommelier and Industry expert	Chef, Business owner and Co-Founder	Sales and Co-Founder
Interview date and place	April 9 th , 2024, via Zoom	April 12 th , 2024, via Zoom	April 18 th , 2024, via Phone call
Length of interview	1 hr. 20 minutes	50 minutes	45 minutes
Secondary data		Web site, social media accounts (Instagram and Facebook)	Web site, social media accounts (Instagram, Facebook, and LinkedIn)

The first interview is addressed to Laura Aranda, culinary arts certified sommelier with eight years of experience in the Wines and Spirits industry. Her experience offers an in-depth context of the Wines and Spirits industry in Mexico. The second interview is addressed to Daniel Rivera-Rio, Pastry Chef, Business owner and Co-founder of Cerveza Monterreina, his knowledge and professional expertise allows for a first-hand experience as an entrepreneur in an emerging market. The third interview is addressed to Miko Heinilä, Co-founder of Kyrö Distillery Company, whose passion and commitment to the brand provides with an insightful understanding of the early stage of their entrepreneurship project in an established market.

During the first part of the interview, the aim is to understand the harmony between the company's values and foundations on circular economy, with their current actions and initiatives regarding the sustainable development of their respective regions. More in detail, the intention is to understand the synergy between circular entrepreneurship and sustainable development in the context of entrepreneurial projects and how these impact on the three scopes of sustainable development.

On the other hand, the second part of the interview focus on identifying the effects that arise from their circular entrepreneurial activity. With this information, a cross-case analysis between emerging markets and established market can take place which allows the research to contribute with suggestions on effective implementation of circular economic practices for the emerging market. Lastly, the third part of the interviews allows to identify the opportunity areas and challenges that emerging markets face for further enhancement of the sustainable development agenda.

Furthermore, the second part of this section consists of a cross-case analysis of the strategies that each company implements during their production and process through the lenses of sustainable development. This analysis allows the reader to understand the level of efficiency of their business practices in order to enhance the sustainable development of their markets.

4.1 Case A: Cerveza Monterreina

Cerveza Monterreina is an artisanal beer brand committed with the sustainable development of Nuevo Leon. The business emerges as a project by the Rivera-Rio Group enterprise in an effort to support the local communities in the state of Nuevo Leon, Mexico. Although Rivera-Rio Group enterprise performs mainly within the restaurant and service industry, Cerveza Monterreina is established in 2021 thanks to the multiple efforts of staying in business due to the Covid-19 pandemic in 2020.

Currently, while the turnover of Cerveza Monterreina remains confidential, the business generates 11 direct jobs and 9 indirect jobs. The business starts off as a project that focused on strengthening the relationship with the local suppliers during the rough times of the pandemic with the overall objective of supporting the economy, the community, and the environment of Nuevo Leon. By integrating the local supplier's products into the production and process of the beer, Cerveza Monterreina is capable of boosting the sustainable development of this region.

Cerveza Monterreina is available for purchase through multiple distribution channels, as they are local bars in the Nuevo Leon region, online through multiple wine and spirits retailers, and directly in the Grupo Rivera-Rio restaurants.

4.1.1 Sustainable Development Initiatives: Promoting the Circular mindset

As of today, Cerveza Monterreina takes pride on their strong commitment of boosting the sustainable development of Nuevo Leon. An example of this, is the strong relationships they have with their local suppliers. Currently, Cerveza Monterreina implements a pre-pay method with all of their local suppliers. Since the majority of these are located in a low-income area in the region, the intention is to allow the suppliers to be able to cover the expenses related to their harvest, and therefore being able to provide a high-quality production of the products utilized in the beer process.

“We already implemented the pre-pay method within our restaurants, since this allows for the suppliers to cover the maintenance costs that they face”
– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina”.

A good example of sustainable initiatives by Cerveza Monterreina was in 2020, when the Covid-19 pandemic started and most of the restaurants had to temporarily close, Cerveza Monterreina decided to incorporate the use of local corn and wheat from Zaragoza, Nuevo Leon, into the beer production in order to maintain the relationship with the local suppliers, not only by providing them a source of income during uncertain times, but also by incrementing their production orders.

On the other hand, Cerveza Monterreina also collaborates with the local beekeepers from the Linares, Nuevo Leon. By implementing the pre-pay scheme on the local honey, Cerveza Monterreina is not only able to incorporate high-quality honey into their beer production, but they also benefit from preferential price for the product, while also, are able to protect the environment of the region by supporting the efficient pollination of the region.

“In Grupo Rivera-Rio we had to evolve due to the pandemic, within the group, we have always tried to maintain a strong relationship with our suppliers, specifically with the locals. Due to the pandemic, a lot of restaurants closed, and therefore, a lot of suppliers lost money because they could not accommodate their harvest, that is why we decided to incorporate local ingredients into the beer process, so these suppliers would be able to maintain an income during these rough times”
– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina”.

Cerveza Monterreina not only supports the economic landscape of the sustainable development, but also, integrates environmental measures throughout their production system. As one of the most concerning issues that the region of Nuevo Leon faces nowadays is the alarming water shortage, Cerveza Monterreina has opted to utilize natural aquifer resources and a filter system

for the production of their beer. This helps avoiding any water waste within the local community and allows to release the used water as treated water for its re-integration to the community.

“Instead of wasting the water by contaminating it with tons of chemicals, we opt to go for the extra mile and filter the water before this being released back into the nature”

– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina”.

4.1.2 Partnerships for SD: Collaborative Approaches with Stakeholders

In Mexico there is currently no law or government incentive that promotes the sustainable development in the Wine and Spirits industry, however, is the entrepreneur’s initiative that has opened the conversation for potential partnerships among brands and individuals, that has been shifting the mindset of the consumers into a more conscious consuming and purchasing behavior.

In connection with this, Laura Aranda explains that in the recent years there has been an increase on business that incorporate a sustainable mindset on their identity. However, this has not been thanks to any governmental agent support. While the Wines and Spirits industry stimulates great part of the Mexican economy, with big brands like Grupo Modelo or Tequila Jose Cuervo, little to almost no financial aids from the Mexican government are available for entrepreneurs, or small, and medium enterprises that aim to incorporate a sustainable agenda into their business practices. In fact, Laura shares that in 2024, the government even decreased the national budget for entrepreneurs, and has made more difficult the process of obtaining any financial support for entrepreneurs in Mexico.

Daniel Rivera-Rio shares common ground on this topic. He explains that unfortunately, there is no support from the government that incentives the adoption of sustainable measures in new businesses, which makes no difference for entrepreneurs in adopting sustainable practices into their new or current projects. However, he believes that the motivation of entrepreneurs on adopting sustainable practices is higher nowadays and goes beyond any financial support that

could at some point potentially receive from the government. He later on explains that supporting the sustainable development of Mexico through their business practices is no longer the future, but it is in fact, the current reality of today's landscape.

On the other hand, Cerveza Monterreina collaborates and support local suppliers in the apiculture and agriculture industries. Currently, by providing exclusivity and accessible payment methods, beekeepers are capable of growing and protecting their hives, which further on enables the bees to pollinize the local orange trees production, mesquites, and fruit harvest in the agriculture industry.

4.1.3 Benefits of Circular Entrepreneurship through the SD scopes

There are several benefits that arise from the implementation of circular economic foundations through entrepreneurship. Environmentally speaking and perhaps the scope that is the most known, entrepreneurs are now adopting conscious measures of their carbon footprint. As Laura Aranda explains, new and established business are opting to source their production lines with clean energy or selecting local suppliers with organic resources for their sustainable brand, as it is the case of Cerveza Monterreina.

Nowadays sustainable business practices benefit through multiple different ways to the new business that decide to acquire the circular economic principles on their business models. A quick example of this can be seen on the reduction of pollution on the transportation of supplies. More in detail, by opting for local suppliers, they are not only enhancing the economy of the region, but they are also minimizing their carbon footprint by reducing the transportation distance of the products.

"It is clear that nowadays sustainable practices benefit in many ways to the business that implement them, in the case of Monterreina, of course that sustainability is an essential part of

the brand's identity, and the implementation of sustainable practices and initiatives has benefit in the way we present the product to the market ."

– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina

For example, by integrating the honey supply on the beer production, Cerveza Monterreina also promotes the protection of bees which are not only important for the pollination of the local fruit harvests, but also, are highly important for the enhancement of the ecosystem.

In the social scope, Cerveza Monterreina aligned with the Sustainable Development goals. In detail, they are committed to reduce the extreme poverty of the local communities in the region of Nuevo Leon. They also enhance and support the gender equality and promote and protect the culture and heritage of Nuevo Leon. Laura Aranda explains that due to a more frequent offer of sustainable brands in the market, the society is now interested and leaning towards consuming brands that are -actually- sustainable. This is not only a great switch of consumer behavior for a society that not so long ago, did not have a sustainable mindset, but it has also forced the established business and bigger companies to improve their production methods and acquire sustainable business practices in order to stay relevant in the market.

Lastly, by creating jobs for the local suppliers, Cerveza Monterreina enhances the economy of the most vulnerable sector of the state of Nuevo Leon. As they are Zaragoza, Linares, Allende, and Cienega de Flores. Daniel Rivera-Rio explains that often, the man of the Mexican family emigrates to the United States with the objective of providing a better economic situation for his family, however, this only enhances the economy of United States and separates the Mexican family nucleus. Cerveza Monterreina generates jobs that allows the families to remain together while also, remaining together.

"The inhabitants of this area, in the case of men, leave their town and migrate to the United States, leaving single mothers in charge of the family who are in constant search for sustenance.

We, by implementing the growth of the cultivation fields of corn within the area we are

providing work and occupation for these families in question, providing them with security, sustenance and support”.

– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina

On the other hands, certain economic benefits might arise only on the long run. As previously mentioned, Mexico does not have any economic incentive for the implementation of sustainable practices yet, which lead to new business towards a great financial investment. Even though the implementation of sustainable practices can be a great economic investment at first, it is proven that in the long term, cost savings, improved efficiency, access to new markets and increase of brand awareness can come along the way.

Nowadays consumers, are more conscious of environmental and social issues in Mexico, which has led the consumers to do a more conscious decision on the brands they consume and support. On top of that, is well-known that most of the production of wine and spirits brands in Mexico is produced for the international market, so even though the sustainability movement in Mexico is not yet on its strongest peak, it is definitely already established in another market somewhere else, which directly translates into brand awareness and brand recognition in a different country.

4.1.4 Unlocking Potential: Opportunity Areas for SD enhancement

Cerveza Monterreina has a clear vision of where they are standing and where they want to be. In the near future, the business intends to extend their list of local suppliers in order to obtain 100% of their supplies from local resources. The overall intention is to fully support and boost the economy of the most vulnerable sector of the state of Nuevo Leon.

Linked to this, Cerveza Monterreina is planning to implement new processes of sustainable energy inside the fabric and the production process with the objective of reducing their carbon footprint. This will not only affect the production process but will also affect other areas of the business chain, as they are the logistics. In detail, by obtaining all their supplies and materials

from local suppliers, Cerveza Monterreina will be able to reduce the transportation distance which will generate a less harmful impact on the environment. This represents a big challenge not only for Cerveza Monterreina, but also, for the whole industry as they are shifting their sustainable drinking culture towards something that has no precedential in the country.

“Sustainable initiatives have benefited in the approach and presentation of the brand to the market, and even in savings in production costs, for example, by opting for local producers of inputs we save on transportation costs and reduce the carbon footprint. of the company in that regard”

– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina

The challenge of navigating the uncharted territory of sustainability, is by itself hard enough for every business regardless of the country, however, by not obtaining any financial aid, reward, or support of any type from the Mexican government, makes the current challenges of sustainability achievement harder than they should. Unfortunately, for the Mexican government, the entrepreneurship is not a priority for their national budget, which compromises the effort and motivation for new business to look for sustainable rewards. This results on big quantities of private investments that as entrepreneurs, end up paying with a much slower return of investment, on which big number of businesses do not survive to this stage.

“We face directly the lack of government support within the country for companies seeking to transition to sustainability, which results in large investments of money for us as entrepreneurs that it takes us a while to recover. In addition to the challenges of accepting change and converting the company to sustainable ideology in all aspects that we cover from cultivation to marketing”.

– Daniel Rivera-Rio, Co-founder of Cerveza Monterreina

4.2 Case B: Kyrö Distillery Company

Kyrö Distillery is a Finnish based company established in 2012 that produces the iconic rye gin of Isokyrö. While the business started off as a fun idea among friends at a sauna afternoon session, it shortly became one of the best Gins of the Nordic regions. Today, Kyrö is a well-established business with presence in over 30 countries offering a wide selection of Gin and Vodka. Currently, the company counts with 35 full-time employees, and has established national, and international markets with an overall turnover of 6.25 million euros in 2022 (Clausnitzer, 2023). The company is not only recognized for its tasteful Gin, but it also for its great effort towards the sustainable development of the Nordic region, and their innovation in the Wine and Spirits industry.

4.2.1 Sustainable Development Initiatives: Promoting the Circular mindset

Environmentally speaking, Kyrö has multiple circular economic initiatives throughout their entrepreneurial process. A good example is the use of sustainable energy resources for their production site. In the past, Kyrö used to run their distillery based on oil burning, however, they have opted towards a more environmentally friendly option by switching to biogas provided by a local company only 50 kilometers away from Isokyrö, and wind energy from Vaasa. This allows Kyrö to run their production site with 99.9% of clean energy. On top of that, the usage of Isokyrö's river water for the cooling and fermentation process of the gin is another example of Kyrö's sustainable business practices. Which if implemented properly, allows the company to save energy consumption while simultaneously, taking care of the local community's natural river.

“Different kind of initiatives we have done already like different kind of enhancement. Environmentally, we always think: How we can reduce our Carbon footprint? Most likely in the coming years we are gonna do a wider cooperation especially when it comes to farming side of the supplies. For this, we need larger research that we could utilize to reduce the carbon footprint on that front, but at the moment. Let's say that environmental studies are really local”

– Miko Heinilä, Co-founder of Kyrö Distillery

Additionally, the company is taking big steps towards the research and innovation of their brand. Currently, Kyrö is researching on a way to reduce their carbon footprint through the packaging of their products. In detail, they are aiming to switching the delivery packaging of their vodka to tetra pack boxes for bars and restaurants, which could potentially incur in an 80% glass usage reduction. Ideally, if a successful outcome of this strategy arise, Kyrö will potentially implement this packaging strategy to their gin products as well.

On the other side, Kyrö is also committed for the health and well-being of its community. An example of this can be captured during the 2020 pandemic. During the Covid-19 pandemic, a higher amount of hand sanitizer was needed in the country. For this reason, Kyrö decided to stop the production of Gin, to focus on the mass production of hand sanitizer. This resulted in a donation of seven thousand euros worth of hand sanitizer, by producing almost 51,000 hand sanitizer bottles per week. The simple selfless act of putting aside one's business, says a lot about not only the core values of the brand, but also, their strong commitment with their community.

4.2.2 Partnerships for SD: Collaborative Approaches with Stakeholders

When Kyrö started as a “crazy” idea, the five co-founding members agreed on maintaining a set of core values as the brand identity. Today, these same values have taken Kyrö to their so-far sustainable journey in the Wine and Spirits industry. As an example, over the years, Kyrö has maintained a close relationship and collaboration with Pertin Valinta, the first social business founded by people with intellectual disabilities. This allows for people with disabilities to fully integrate in the society.

“So we have been doing different kind of cooperation throughout the years, but just last Friday we had a workshop where we elevated our social commitment.”

– Miko Heinilä, Co-founder of Kyrö Distillery

On the other side, The Finnish government played an important role as a collaborator for Kyrö's establishment. In detail, the Finnish government provided financial investment on the establishment and expansion phases of the business. This, has allowed Kyrö not only to have a smooth establishment but also, allowed the company to focus on important goals without having to worry about the financial statement of the company.

4.2.3 Benefits of Circular Entrepreneurship through the SD scopes

Cultural values played an important role during the foundation of Kyrö's brand. The co-founders believed that it was possible to create a business that was environmental, social, and economic responsible from the beginning of the idea.

“Nowadays its mainly about authenticity, people look into the companies’ values before they consume them.”

– Miko Heinilä, Co-founder of Kyrö Distillery

Consumers nowadays look into the companies' actions and values before deciding on consuming their product. According to Miko Heinilä, embracing sustainable practices result not only in social and environmental benefits, but also, in an economical benefit for the company. Although, this is not the reason why Kyrö adopted a strong sustainable culture, the brand is aware that great part of their success, is thanks to the authenticity of their commitment in the economic, social, and environmental landscape of the sustainable development of their region.

Businesses that rely on circular economic foundations, are capable of generating social benefits. A good example of this can be seen through Kyrö partnerships. Currently Kyrö counts with different societies in Finland, as they are Pertin Valinta, and Isokyrö Ylipää Youth Club. On one hand, Pertin Valinta partnership offer jobs to people with intellectual disabilities, which allows them to fully integrate into the society, and on the other hand, Isokyrö Ylipää and Kyrö, offer food aid to people in need.

Economically speaking, Kyrö has been able to generate at least 35 direct jobs, and is responsible of enhancing the local economy of three other regions in Finland. This is thanks to the partnership with local and nearby energy suppliers. Moreover, Kyrö is present in 30 other countries, which increases the awareness of the Finnish market, and situates Finland in the map of the international Wine and Spirits industry for international agents and potential investors.

Kyrö has proven that several environmental benefits arise from the implementation of circular entrepreneurship business models. On one hand, the investment on research and development for packaging innovation allows Kyrö to position as a leader in their industry for sustainable packaging and distribution. This enables other brands to follow and replicate sustainable packaging, which leads towards a reduction of plastic, glass, and general resources usage. On the other hand, the constant studies and alternatives implemented during the production process, has allowed Kyrö to reduce their carbon footprint. For example, the seasonal type of rye utilized for their distillation leads towards a reduction on the local harvest. Lastly, the switch from oil burn to clean biogas and windmill energy allows Kyrö to run on a 99.9% clean energy, having a direct impact on Isokyrö environmental impact.

4.2.4 Unlocking Potential: Opportunity Areas for SD enhancement

One of the main challenges that Kyrö faces, is the story telling of a brand that is fully committed with sustainable goals. In today's context, the Wines and Spirits industry is not yet aware of the potential impact on the sustainable development, and therefore, it is at times difficult to build up a story that is able to transmit in a meaningful manner their brand's goals of sustainability integration while also remaining relevant to the overall purpose of the industry's objectives. More in detail, Miko states that in order for this to change, there is a need for more sustainable certifications for companies in the Wine and Spirits industry.

“The challenge is that in this industry there hasn't been that much of a promotional on this sustainable aspect. So how to build up that story to be able to transmit it on a meaningful manner? It's really difficult. So here we would need more of the whole industry to be changed”.

– Miko Heinilä, Co-founder of Kyrö Distillery

On top of that, the innovation of the unexplored territory of sustainable packaging and distribution in the Wine and Spirits industry remains a big challenge that Kyrö is aiming to conquer. In detail, one of the milestones that Kyrö is currently working towards, is the innovation on the packaging of their vodka for the bars and restaurants channels. Miko explains that Kyrö is currently standing on trials stage for packing their products in boxes in Finland, however, if the trials result in a successful outcome, they will consider applying this method for other countries and eventually, employ this sustainable packaging alternative on other products as well.

“In the future we can modify the whole packaging system, firstly in Finland but also hopefully bringing out to the other countries as well. If we are successful on bringing in a meaningful manner to the consumers, bars and restaurants, the impact of this innovation could be huge.” – Miko Heinilä, Co-founder of Kyrö Distillery

The challenge behind the innovation of unexplored alternatives for a company that is established in a developed nation is that the only available offer of sustainable packaging at the moment, is the transportation of the liquids in containers, however, Miko explains that this method requires a high economic investment and at the moment this alternative is not profitable for Kyrö to implement in Finland.

4.3 Cross-Case Analysis

In this section, a comprehensive exploration of the Mexican and Finnish circular entrepreneurship process takes place through the lenses of sustainable development. By conducting a cross-case analysis of two business previously individually examined, this study is able to contrast the

performance of each business through the Triple Bottom Line framework of the sustainable development of each market.

This analysis allows for the research to bring together insights obtained from the individual analyses of Case A, Cerveceria Monterreina from Mexico, and Case B, Kyrö Distillery from Finland. In detail, this analysis will identify key similarities, differences, detect patterns and allow for the research to bring suggestion for future enhancement of the sustainable development in Mexico through the implementation of circular entrepreneurial activity.

Lastly, this cross-case analysis will provide a holistic understanding of the challenges and opportunities that both companies face regardless of their market stability while they both navigate the complex journey of sustainable development in a close and traditional industry culture.

4.3.1 Identifying the Sustainable Development efforts

When analyzing the economic scope of both companies, it is crucial to consider how these integrate the environmental and social impacts while simultaneously maintaining financial viability. For example, in the early years of establishment, Kyrö Distillery's environmental and social impacts were not the considered main part of the strategic business plan as Kyrö's main goal was to create a final product regardless of the process implied. However, due to the cultural context where the business developed, sustainable factors were implied from the beginning throughout the establishment of the business.

To illustrate this context, Kyrö established their distillery premises inside an old dairy factory, this allowed for Kyrö to reduce the economic and environmental impacts that building new premises could have implied. In this way, Kyrö was able to take into consideration environmental impacts while maintaining economic viability. On the other hand, the purpose for Cerveza Monterreina's establishment was to pursue an economic development for the local region, and through this goal,

they created Cerveza Monterreina. In detail, the intention of the co-founders is to reduce the extreme poverty of the region by creating direct and indirect jobs, boosting the local industries, and improving the quality of life. Under this context, Cerveza Monterreina aims to create a profitable business brand based on the enhancement of the economic and social scopes of sustainable development.

Table 7. Contributions to the SDG.

SDG Number	Economic scope	Cerveza Monterreina	Kyrö Distillery
1	No Poverty	Creates direct and indirect jobs for the local regions in Nuevo Leon	Creates direct and indirect jobs for the Isokyro region, Finland, and other countries
8	Decent Work and Economic Growth		
SDG Number	Environmental scope	Cerveza Monterreina	Kyrö Distillery
6	Clean Water and Sanitation	Usage of natural acquifers and releases it as treated water	Use of river water without damaging it
7	Affordable and Clean Energy	R&D on sustainable energy implementation	Use of biogas and wind energy
9	Infrastructure		Use of old dairy fabric premises
11	Sustainable Cities & Communities		Implementation of biogas station for the community
12	Responsible Consumption and Production	Sustainable practices during production process	Sustainable practices during production process
13	Climate Action		
14	Life Below Water		
15	Life on Land	Support for the protection of bees	
SDG Number	Social scope	Cerveza Monterreina	Kyrö Distillery
2	Zero Hunger	Creates jobs with regular incomes for vulnerable communities	Donates to different associations

3	Good Health and Well-Being	Promotes the well-being of its workers	Promotes the well-being of its workers
4	Quality Education		
5	Gender Equality	Promotes gender equality in the team	Promotes gender equality in the team
10	Reduced Inequalities		Partners with Pertin Valinta for the integration of intellectual disabled people into the community
16	Peace, Justice and Strong Institutions		
17	Partnership for the Goals	Partners with different local suppliers	Partners with different associations

The above Table 7 exemplifies the efforts made by each company in regards to the sustainable development of their respective region. For instance, the seventeen Sustainable Goals are categorized under the economic, environmental, and social scope, and based on the previously retrieved information of each company's efforts, initiatives, and/or projects, a brief explanation is indicated on the goals that the company directly or indirectly advocate for these specific SDG goals.

Based on the above information, a comprehensible approach to the Triple Bottom Line framework is illustrated by Monterreina's and Kyrö's efforts and initiatives. As previously mentioned, this model states that for an organization to be able to enhance the sustainable development, several efforts within the economic, social, and environmental context of sustainable development must have to be embraced.

While, the above Table 7 does not intent to compare the quantity of the efforts between companies, its intention is to demonstrate that based on the Triple Bottom Line model, for an effective implementation of circular entrepreneurial activity, the business unit should enhance and/or support the three areas of the sustainable development. As illustrated, both companies share common ground with several of the Sustainable Development Goals. For instance, it can be

implied that both companies enhance the sustainable development of their regions through similar and different strategic plans.

4.3.2 Similarities and Differences in their Business

When contrasting Cerveza Monterreina and Kyrö Distillery, despite the geographical difference on where these business units develop, several similarities arise from their business approaches and operations. For instance, the main similarity between these two business is their sustainable development enhancing efforts. The below Table 8 illustrates the common ground for Cerveza Monterreina and Kyrö Distillery under the economic scope.

Table 8. Similarities in the economic scope.

	Similarities	Cerveza Monterreina	Kyrö Distillery
Economic scope	Jobs creation (Direct and Indirect jobs)	Generate jobs for the vulnerable communities of the state of Nuevo Leon, namely, Zaragoza, Linares, Allende, and Cienega de Flores.	Created full-time jobs for Finland and the European Union, and seasonal job positions for the local community of Isokyrö.
		They generated indirect jobs by adopting exclusive local suppliers relationships.	They supported the indirect job creation through the implementation of local energy suppliers.
	Support for other industries	Supports the beekeeping and agricultural industries by integrating these in their production process.	Supports the local biogas and wind energy industries by implementing 99% of their production energy from these suppliers.

As previously mentioned, the economic scope of the Triple bottom Line framework oversees the organization’s financial performance by considering the value creation through the efficiency and profitability of the company.

The Table 8 exemplifies the similarities between Cerveza Monterreina and Kyrö Distillery efforts in the economic context of the Triple Bottom Line model. In detail, both companies strongly support the creation of new direct jobs and the promotion of indirect jobs by partnering with local suppliers. Moreover, both companies seek to support industries beyond the Wines and Spirits. A good example of this is the support of Cerveza Monterreina in the beekeeping and agricultural industry.

Moreover, the Table 9 englobes the common ground for Cerveza Monterreina and Kyrö Distillery towards the environmental development of their respective regions.

Table 9. Similarities in the environmental scope.

	Similarities	Cerveza Monterreina	Kyrö Distillery
Environmental scope	R&D investment	Invest of research and development for the integration of products from other industries into their final product process.	Invest on research and development for innovation in packaging for glass reduction.
	Use of natural resources without damaging the local ecosystem	Utilizes natural aquifer resources with a filter system. This avoids water waste, and allows the release of the used water as threated water for its re-integration to the community.	Usage of Isokyrö’s river water for cooling and fermentation process without contaminating the water.
	Use of clean energy	Planning stage for switching to sustainable energy inside the fabric premises for their carbon footprint reduction.	Currently utilizes local biogas and wind energy.

For instance, both companies actively invest on innovations for the reduction of their carbon footprint throughout their business model. While Cerveza Monterreina is currently investing on the integration of new locally produced resources into their production process, Kyrö is focusing on the innovation of packaging and distribution for the reduction of utilized resources. Moreover,

both companies stand in common ground by sharing similarities on their use of natural resources without damaging the local ecosystem, specifically the use of natural aquifers and rivers for the production process. Lastly Cerveza Monterreina and Kyrö Distillery agree on the usage of sustainable energy for the production process in order to reduce their carbon footprint.

On the other hand, the below Table 10 illustrates the main similarity under the social scope of sustainable development. While on one hand Cerveza Monterreina encourages the family unity by providing an stable income, Kyrö Distillery partners with associations for the integration into the society of intellectual disable people. Despite the different approach and strategic plan, both companies actively promote the social well-being of their local community.

Table 10. Similarities in the social scope.

	Similarities	Cerveza Monterreina	Kyrö Distillery
Social scope	Partnership for the development of social well-being	By providing jobs with stable incomes, vulnerable families are able to remain together without having to face separation due to immigration purposes to the United States.	Collaborates with different associations. For example, Pertin Valinta, the first social business founded by people with intellectual disabilities. This allows for people with disabilities to fully integrate in the society.

As mentioned, despite the similarity on the efforts for the sustainable development of their regions, several differences arise due to the nature of their geographic region, business size, or government stability. The below Table 11, illustrates the main differences between Cerveza Monterreina and Kyrö Distillery business models.

Table 11. Differences in the economic, environmental, and social scope.

	Differences	Cerveza Monterreina	Kyrö Distillery
Economic scope	Business size	Local business 2-3 years of establishment	International business 12 years of establishment
Environmental scope	R&D	Investment and innovation on production process.	While Kyrö has already innovated on production process for carbon footprint reduction, they are now investing on packaging innovation for usage of materials reduction.
Social scope	Government support	No	Yes
	Financial support	High barriers	Easy access to funding and investments from financial institutions

When contrasting both companies, more similarities arise compared to differences. However, the main differences between Cerveza Monterreina and Kyrö Distillery is their business size. As of today, Cerveza Monterreina is only available in the local region of Nuevo Leon, while Kyrö is available in more than 30 countries. The main reason for this differences is due to their establishment date. While Kyrö was established in 2012, Cerveza Monterreina has only about 3 years in business, which grants Kyrö a 10 year expertise advantage, and knowledge in the international market.

Secondly, while Kyrö emphasizes on the research and innovation for sustainable packaging and a switch in the cultural mindset of the Wines & Spirits industry, Cerveza Monterreina focus on innovation of the production in a way that they can enhance beyond its own industry, namely, the vulnerable industries in the local region as they are the beekeeping and agriculture industries.

The disparity between companies originates from the fact that, Kyrö has already innovated their production process and have reduced their carbon footprint to the maximum possible. For instance, they have now moved onto new opportunity areas where they can improve and innovate for the overall purpose of continuing a sustainable path within the brand.

Lastly, one of the main differences on their social scope is the government and financial institutions support. Currently, while the Mexican government does not offer any type of support for entrepreneurs and often, entrepreneurs encounter high barriers from financial institutions obstructing the opportunities of obtaining fundings for establishing new business, the Finnish government and financial institutions provide all entrepreneurs with loans for them to be able to establish the business of their preference.

4.3.3 The Triple Bottom Line: Success factors for effective SD implementation

As previously mentioned, the Triple Bottom Line model encapsules seven main factors that according to Elkington (2004), are crucial for an effective enhancement of the sustainable development. The below section contrasts the efforts and initiatives that Cerveza Monterreina and Kyrö Distillery implement on their business operation strategies based on the seven factors for effective implementation of sustainable development of the Triple Bottom Line framework. More in detail, these factors point up the areas where actions are necessary for achieving an integration of the Triple Bottom Line into the business practices.

1. **Markets** – Both companies share common ground regarding the market culture. These agree that substantial switch in the market culture arise from the changes in consumer preferences, and sustainable business practices. Cerveza Monterreina, as well as Kyrö Distillery are currently undergoing through environmental, social, and even ethical demands from consumers. Although, the Wines and Spirits industry has not completely transition towards specific changes, it is known that new enterprises bring along implied behaviors that favor the sustainable development of their markets.

2. **Values** - One of the features that Kyrö takes pride on, are the foundations of their core values from the establishment of its business. It is important to highlight that adopting transparency and accountability of their business operations throughout the years, has strengthening their not only their responsibility withing the business but also with the consumers. Simultaneously, Cerveza Monterreina reveals throughout its business process their commitment for strengthening its relationships with the local suppliers. These actions not only demonstrate their core values beyond their social responsibility, but also provides transparency about their actions and social justice.
3. **Transparency** – Cerveza Monterreina as well as Kyrö Distillery have kept a strong commitment towards maintaining clear communication channels with stakeholders and consumers.
4. **Life-cycle Technology** – Both companies stand in common ground regarding the importance of promoting the circular economy through their closed loops of its production processes. Simultaneously, Cerveza Monterreina and Kyrö Distillery have encourage the adoption of several technologies with the aim of minimizing the environmental impact.
5. **Partnerships** – Collaboration with different associations, non-governmental organizations and even competition, has brought Cerveza Monterreina and Kyrö Distillery towards the success around its brands. More in detail, partnering has not only created knowledge and experience for both companies, but it has surpassed the value creation and the efforts are visibly benefiting towards a wide range of sustainable development goals.
6. **Time** – Change doesn't happen in a day. And both companies have this very clear. The efforts of both companies are mainly aligned towards the long-term success, and the

acknowledgement that continuo improvement happens over time. Both business are aligned towards long-term strategies that assure their vitality and resilience.

7. **Corporate Governance:** Both companies have clear governance structures within their business. More in detail, Cerveza Monterreina and Kyrö Distillery continuously work towards implementing good business practices, fair labour policies, minimization of gender inequality, and improvement of decision-making process.

4.3.4 Unlocking Potential: Opportunity Areas for SD enhancement in the Emerging Markets

To sum up, appears as though that for Cerveza Monterreina despite the disadvantages of this being established in an emerging country, it has fulfilled the criteria of the Triple Bottom Line model towards the successful enhancement of the sustainable development. While this is the case for Cerveza Monterreina, it is not a linear journey for the circular entrepreneurs in emerging markets.

What can be implied for this research, is that certain features and developments from developed countries have given advantage to these markets in order to impulse the circularity of their business in a much smoother way when compared to emerging markets. For this reason, it is important to understand and acknowledge the different opportunity areas where entrepreneurs in emerging markets can focus on, in order to correctly align towards the sustainable enhancement of its businesses

One example of this, is the strengthening of governmental policies and regulatory frameworks that supports the sustainable development initiatives. By enforcing the regulatory bodies, the promotion of environmental responsibility, social equity and economic prosperity can be achievable in emerging markets.

On the other hands, encouraging the investment on renewable and clean energy such as solar, wind, and hydroelectric power can potentially be implemented across different industries and therefore, promote the energy efficiency and reduction of carbon footprint in the business landscape. Lastly, it is important for all new and established business to have the support of reliable financial institutions, for this reason, expanding and creating financial services can potentially foster the economic empowerment of the market, while simultaneously reduce poverty levels of the country.

5 Conclusion

To summarize, circular entrepreneurship has gaining strength in the latest decades as an alternative for sustainable development enhancement in emerging markets. The popularity of this alternative, has simultaneously created an impact in the consumers culture regardless of the economic market.

Firstly it is important to understand that the synergy between circular entrepreneurship and sustainable development is created when an effective implementation of circular economic principles takes place. This means that, in order to effectively enhance sustainable development, the business must embrace the three scopes of Sustainable Development through its business operations.

Secondly, what can be implied from the cross-case analysis of the circular business is that it is possible to effectively implement circular entrepreneurial activity in emerging markets the same way it is implemented in developed countries, however, under certain scenarios unique challenges regarding financial support, entrepreneurial incentives, fundings or knowledge might arise along the way due to the lack of available resources.

5.1 Theoretical contributions and Managerial implications

The findings of this study empirically validates the key factors for successful enhancement of Sustainable Development provided by the Triple Bottom Line model. In detail, it can be implied that while several external factors like culture, resources limitation, and lack of governmental support discourage the circular entrepreneurial activity in emerging markets, the findings of the study show that it is possible to effectively enhance the sustainable development of emerging market regions despite these unique and challenging factors in emerging markets.

For this reason, this thesis encourages the practical applications for future enhancement of sustainable development from the circular entrepreneurship angle, by offering practical insights for policymakers and practitioners aiming to promote sustainable development through innovative entrepreneurial practices.

5.2 Suggestions for Future Research

This study encourages the future research of the circular entrepreneurship impact in different emerging markets, in order to corroborate that based on a Triple Bottom Line theory, the enhancement of Sustainable Development can be equally achieved regardless of the limitation of resources in other emerging countries.

Simultaneously, this thesis encourages the future research of circular entrepreneurship to explore the long-term impacts of this phenomenon across diverse contexts. It suggests comparing the generated impacts before and after the effective implementation of circular entrepreneurial activities to measure in detail, the differences and progress made towards the sustainable development whether at a regional or international level.

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7 Appendices

Appendix 1. Interview Guide

Interview questions were based on the main objectives of the study.

Main objectives of the study:

- O1 - Understanding the synergy between circular entrepreneurship and sustainable development.
- O2 - Comparing the contributions of an effective implementation of circular entrepreneurship in emerging markets with established markets.
- O3- Identify the opportunity areas where emerging markets can develop further to improve their sustainable development agenda.

Synergy Circular Entrepreneurship and Sustainable Development

Q1/O1 Can you provide an overview of (*name of the company*) initiatives/projects focused on promoting circular economy (in your country)?

Q2/O2 How do you consider (*name of the company*) integrates sustainable development considerations into its current business strategy?

Q3/O2 In what ways does (*name of the company*) collaborate with local communities, governments, or other stakeholders to enhance the sustainable development (in country)?

Benefits in the three scopes of Sustainable Development

Q4/O2 How does (*name of the company*) measure the impact of its sustainable initiatives on the economic, environmental, and social landscape in (country)?

Q5/ O2 In your opinion, what are the primary **economic** benefits that (*name of the company*) has experienced as a result of embracing sustainable practices?

Q6/O2 How does (*name of the company*) ensure **environmental** sustainability in its business practices? Are there any achievements or milestones in this regard?

Q7/O2 Can you elaborate on the **social** benefits or impacts generated (*name of the company*) particularly in terms of job creation, community empowerment, or poverty alleviation?

Opportunity areas

Q8/O3 What are some areas where (*name of the company*) faces challenges on promoting sustainability?

Q9/O3 Looking forward, what are some key strategies (*name of the company*) has set to further enhance the sustainable development in the industry?