**To what extent is the way in which the circular economy is constructed, developed and enacted by PSOs and their third sector delivery partners in Wales shaped by the organisational policy context in which they operate?**

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**ABSTRACT**

There are multiple competing definitions of the circular economy,(CE) most of which are rooted in business language and focused on economic growth as the primary form of value creation (Kirchherr, Reike & Hekkerrt, 2017). The social dimensions of the CE are rarely clearly articulated (Hobson & Lynch, 2016; Moreau *et al*., 2017). One school of academic thought assumes the need for a consensus on the meaning of the CE for it to be valuable and actionable (Kirchherr, Reiki & Hekkert, 2017; Borello *et al*., 2020). A second school of thought adopts a constructionist approach, understanding CE as what the anthropologist and ethnologist Levi-Strauss termed a ‘floating signifier’; (Rodl *et al*., 2022; Corvellec *et al*., 2020; Niskanen *et al*., 2020; Valenzuela and Bohm, 2017) and arguing that its meaning is dependent on the context in which it is being explored. Business-led definitions are unlikely to represent the value creation that matters for public sector organisations (PSOs). Klein, Ramos & Deutz (2020) note that PSOs are primarily pursuing political and social goals and are less motivated by profit. This is, perhaps, even more distinct in Wales, where the political and social goals of PSOs are shaped by the Wellbeing of Future Generations Act (2015), which enshrines sustainable development in law.

This paper reports on the framings of the CE that emerged from a regional HEI executive education programme being developed in Wales, Circular Economy Innovation Communities (CEIC). CEIC aims to develop the circular economy innovation knowledge and skills of practitioners in public sector organisations and their third sector delivery partners. In CEIC, participants collaborate to address a ‘circular economy’ challenge that is derived through consensus. The programme adopts a non-essentialist approach (Corvellec *et al*., 2021), in which the circular economy is understood as a ‘floating signifier’, and is presented as an opportunity to create value through a variety of ways for the different organisations.

The research question we ask is: ‘To what extent is the way in which the circular economy is constructed, developed and enacted by PSOs and their third sector delivery partners in Wales shaped by the organisational policy context in which they operate?’. We present primary qualitative data collected through workshops with four cohorts of PSOs and third sector organisations. The data has been gathered through a variety of activities, taking place over the ten month programme, including structured activities that explore the meaning and value of the circular economy to their organisations, the development of challenge definitions that reflect the needs and values of the collaborating partners, and value propositions that demonstrate the benefits of the solutions arrived at. The data demonstrates that CE value emerges over time, with early discussions being vague, dominated by opportunities to avoid value leakage (through, for example, the minimisation of waste). Over the course of the programme, there is growing recognition of value creation opportunities. The PSOs and their partners then rarely discuss the circular economy in terms of economic value for their organisation, but adjust their viewpoint to recognise the potential to create regional economic value. Other value streams identified are consistent with those that underpin the goals of the Wellbeing of Future Generations, leading to conceptualisations of the CE that promote sustainable development, environmental, cultural and social value beyond the original economic perceptions. Our initial research suggests leaving CE as a floating signifier where PSOs and third sector organisations decide how CE is constructed, developed and enacted within their organisations, based on their own policies allows them an opportunity to engage better with circular principals while creating greater social value for Wales.

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