

On social and economic factors of circular economy: Insights from the Italian recycling sector

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In order to achieve the ambitious goals of the European Union (EU) Green Deal, Member States must implement an efficient and modern recycling industry that can combine high environmental standards with high economic performance. According to Eurostat, the amount of waste recovered increased by 33.9% from 2004 to 2020, and the share of recovery in total waste treatment rose, respectively, from 45.9% to 59.1%. Among the EU countries, Italy exhibits the highest waste recycling rate (83.2% in 2020). This paper empirically investigates the economic, institutional, and social aspects that may be correlated to the performance of firms involved in waste recycling. Better performing firms would definitely provide larger benefits to the recycling industry, since turning waste into resources is crucial for the transition to a cleaner, climate neutral and circular economy. Working on a panel dataset of 3715 Italian companies, it emerges that firms performance is positively influenced by several firm-specific factors, such as age of experience, size, degree of specialization and digitalization, and by territorial factors, such as separate collection rate, regional GDP, and regional political ideology.