

NEW ECONOMIC MODELS AND CREATION OF TERRITORIAL VALUE AROUND THE CIRCULAR ECONOMY, THE ECONOMY OF FUNCTIONALITY AND INDUSTRIAL ECOLOGY

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In the past few years, the Nord-Pas de Calais Region in France (nowadays named Hauts-de-France) has chosen to base its development on the association of sustainable development characteristics and new forms of economic activity (Zuindeau ed, 2010). Because of difficulties to plainly face social and economic problems (such as social justice, social equity, unemployment and so on), and because of a political context favouring decentralization processes, new patterns of economic development are imagined aside conventional economic patterns. News economic models (NEM) (defined by the French Commissariat general au développement durable as circular business models, functional economy and industrial ecology) are experimented (Hubert and Lejay, 2014). Many of these are found in the Northern Region especially in the field of functional economy (known as Product service systems in English speaking communities) (Du Tertre et al., 2011) or Industrial Ecology (Decouzon et Maillefert, 2013).

Few is known about these NEM, especially as far as they differentiate from conventional Business models. Conventional Business models promote new forms of value creation based on new combination of resources ((Porter et Kramer, 2011; Reim et al., 2015). Though the value created is dedicated to resource owners such as firms, minimizing the territorial total gain. Should "shared value" appear, it will be distributed to the firm or some stakeholders. .

In the paper, we show that new forms of "territorial wealth" patterns as opposed to a marked or no marked based wealth measured by indicators such as the PNB, are emerging (Jany-Catrice, 2016). New wealth (value) emerges through collective action and makes possible a creation and appropriation of a nexus of externalities (economic social and environmental) in territories. This collective action must be understood as a collective will to face a common problem which is not taken in consideration neither by private action nor public policy. The value results from the combination of externalities and collective action to respond to a territorial need such as mobility, health, housing.. The construction of a territory is the result of a nexus of externalities and collective action made by heterogeneous actors, considered as users (people who co-product and use common goods with firms and public partners) rather than consumers (Maillefert and Robert, 2015).

Externalities and collective action are fundamental to understand territorial value creation. Though the value can be partly appropriated by firms, a great part returns to territories in the form of collective wealth (well-being). We make a difference between value added for firms and value added for territories (Maillefert et Robert, 2015).

Our approach proposes a new way of understanding the territory as an endogenous constructed from two variables: stakeholders and externalities. We also offer a typology of new territorial economic models arising from this approach by the territorial value.

The challenge remains to grasp these externalities which are difficult to characterize or quantify. Methods can be tested from the LCA tool box. We would like to test Territorial LCA analysis (Loiseau et al., 2012; 2014) to better understand and document the territorial added value by these externalities.

Keywords: Business Model, Functional Economy, Circular Economy, Territorial Value