

# THE ROLE OF WASTE RECYCLING MSMEs IN SUPPORTING CIRCULAR ECONOMY

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## Abstract

**Background** - Many roles of micro, small and medium enterprises (MSMEs) are felt by the community, such as job creation and improving the community's economy. Many MSMEs offer various types of products and services. However, there are still few MSMEs that are oriented towards producing environmentally friendly products or services. MSMEs recycling waste is also still rarely engaged in by the community in Indonesia. The field of MSMEs recycling waste is still looked down upon, considered "plebeian", outdated, and unprofitable. Awareness of the role of MSMEs recycling waste among the community is still very low.

**Purpose** - This study aims to comprehensively explore the role of waste recycling MSMEs in supporting the circular economy.

**methodology** - The method used is library research, using critical analysis techniques.

**Findings** - The results of the study show that the role of waste recycling MSMEs in supporting a circular economy, namely: (1) using the 3R concept (Reduce, Reuse, Recycle) referring to the law on waste banks, which is part of the circular economy transition process; (2) various types of waste are processed into something that has a higher selling value; (3) towards a circular economy and with the adoption of innovative technology; (4) carrying the concept of a system that can reduce the effects of business activities and waste production; (5) resource management to create a circular impact on economic and environmental sustainability; (6) recovery from massive waste disposal through the design of innovative business models that empower the use of materials and products; (7) generating economic growth; (8) increasing awareness of the importance of sustainability, demand for products that use recycled materials is increasing; (9) supporting the implementation of a circular economy as proposed in the Indonesian Vision 2045 in collaboration with the United Nations Development Program (UNDP); (10) realizing a circular economy through infrastructure assistance and funding through corporate social responsibility (CSR); and (11) involvement in the circular economic transition with various cooperation systems for environmental NGOs, government, and waste management foundations such as waste banks.

**Originality** - Research that comprehensively explores the role of MSMEs recycling waste in supporting a circular economy has never been done before.

Keywords: 3R (Reduce, Reuse, Recycle), economic and environmental sustainability, innovative technology, selling value, waste bank

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