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Canary Islands: a Living Lab for Circular Economy Principles.

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In 1966, the economist Kenneth Boulder anticipated the concept of circular economy by theorizing the “spaceman economics”, an economic perspective which, aware of the constraints of the system in which it moves – “without unlimited reservoirs of anything, either for extraction or for pollution”-, is based as much as possible on closed loops. Another way to visualize the concept of space and resources constraints that Boulder wanted to transmit is to imagine, instead of the spaceship, an island. Islands have indeed always experienced the constraints of space and resources, and for this reason a tendency at elaborating creative solutions to increase the efficient use of resources has characterized their economy, even more if located in remote areas.

It is the case of Canary Islands, a Spanish outermost region situated in front of the Moroccan coasts. The small sizes of the region’s economy and its remoteness from developed parts of Europe have been crucial factors for its growth. The objective of this paper is to highlight the Canary Islands’ growth trends that, as an answer to resource and space scarcity, have been shaped by economical principles inspired to circularity. The idea of saving energy and materials by using them in closed loops is traceable in many industries of Canary Islands’ economy. For instance, the island of El Hierro is, since 2014, completely energetically self-sufficient thanks to a sustainable development plan implemented from 1993.

Furthermore, a SWOT analysis of Canary Islands’ region clearly shows that there are favorable conditions to further implement the circularity principles in its economy, thanks not only to the specificities of its industries but also to the presence of enablers that have the potential of facilitating the organization of the economy in closed loops.

Two types of enablers have been identified. The first one is the transformative power of service innovation, defined as the process when services “disrupt traditional channels to market, business processes and models, to enhance significantly customer experience in a way which impacts upon the value chain as a whole”. This is fundamental for capturing the added value coming from the implementation of circularity principles and making their implementation convenient for businesses. In Canary Islands services accounted for 82.38% of the regional gross added value in 2012 and for this reason, the European Service Innovation Centre initiative has chosen this region as large-scale demonstrator of the transformative power of service innovation in tourism. But many other industries, from transport and logistics up to other sectors of the so called Blue Growth, can benefit from it.

The second enabler is the presence of strong sectoral intermediary bodies that can create competencies among SMEs for the implementation of circular principles. It is the case of clusters of the maritime and touristic sectors, and of other SMEs associations that can act as a gear for knowledge transmission.

Considered together, these conditions make Canary Islands the perfect living lab where to further implement the circular economy principles and demonstrate their benefits and their potential as ultimate strategy to deeply embed sustainability in businesses.