

# Quarterly Journal of Ouantitative Economics

Journal Homepage: www.jqe.scu.ac.ir Print ISSN: 2008-5850 Online ISSN: 2717-4271



Provide a model based on the dimensions of circular economy, clean production and the fourth generation industrial revolution to improve the sustainable productivity of manufacturing industries

Abdolkarim Hosseinpoor \*0, Ahmad Ghorbanpour \*\*

\* Assistant Professor of Economics, Department of Economics, Faculty of Business and Economics, Persian Gulf University, Bushehr, Iran (Corresponding Author)

**Postal address**: Iran, Bushehr, Persian Gulf University, Faculty of Business and Economics, Department of Economics.

\*\* Assistant Professor of Industrial Management, Department of Management, Faculty of Business and Economics, Persian Gulf University, Bushehr, Iran.

Email: Ghorbanpur@pgu.ac.ir

ARTICLE HISTORY	JEL	KEYWORDS	
	CLASSIFICATION		
Received: 03 November 2021 revision: 11 February 2022 acceptance: 12 February 2022	Q01, L52, K23 ,C83,Q56	Circular economy, manufacturing industries, generation industrial revolution 4, sustainable performance	

**Acknowledgments**: Acknowledgments may be made to individuals or institutions that have made an important contribution.

**Conflict of Interest**: The authors declare no conflict of interest.

**Funding**: The authors received no financial support for the research, authorship, and publication of this article.

Provide a model based on the dimensions of circular economy, clean production and the fourth generation industrial revolution to improve the sustainable productivity of manufacturing industries



#### How to Cite:

Hosseinpoor, Abdolkarim & Ghorbanpour, Ahmad. (2023). Provide a model based on the dimensions of circular economy, clean production and the fourth generation industrial revolution to improve the sustainable productivity of manufacturing industries. *Quarterly journals of Quantitative Economics (JQE)*, 20(2), 165-185.

10.22055/JQE.2022.39085.2433

© 2023 Shahid Chamran University of Ahvaz, Ahvaz, Iran. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0 license) (http://creativecommons.org/licenses/by-nc/4.0/)

### EXTENDED ABSTRACT

# INTRODUCTION

In the age of globalization, awareness of sustainability issues is rapidly increasing among organizations, which creates a greater need to implement sustainable actions in supply chains to reduce social, economic and environmental problems. Sustainability is defined by the World Environment Commission as a development that meets the needs of the current generation with an awareness of natural resource scarcity. Over time, the relative importance of social, economic, and environmental dimensions to sustainability has varied. Managing all aspects of sustainability in an organization has become challenging due to the need for its overall restructuring with a focus on adopting fourth-generation industrial technologies, clean production, and circular economy measures. To address the challenges of changing the paradigm to sustainable, the concept of circular economics has received a great deal of attention around the world and has increasingly emerged as a new approach to creating sustainable business. A circular economy is a model that reduces waste production and emissions. Achieving economic benefits, minimizing environmental impacts and increasing resource efficiency are the main goals of the circular economy. This concept has emerged as a new industrial model and as a solution to reduce the negative effects of linear economics. This type of economic system is a good opportunity to reduce the use of raw materials, protect material resources and also reduce the impact of carbon. Its main purpose is to distinguish economic growth from the constraints of natural resources and social effects. Clean production is one of the new concepts that integrates



several environmental design strategies and can be considered as a potential factor in a circular economy. Clean production emphasizes the integration of the relationship between the environment and management. In the age of industrial digitalization, the connection between fourth generation industries and the circular economy has made it possible to discover different ways in which environmental sustainability goals can be achieved. In this interaction. the digitalization of industries is increasingly playing the role of facilitator in clean production. This revolution is playing an important role in the sustainability of businesses. These technologies can enable real-time resource allocation programs and coordination with suppliers in sustainable production by gathering the information needed in real time from the intelligent manufacturing system. In view of the above, industries must increase their efforts to achieve sustainability goals and adopt innovative approaches during the action. Therefore, the main question of the research is: what are the factors of circular economy, clean production and fourth generation industrial revolution effective in evaluating sustainable performance in food industry and improving its productivity? And what is the relative importance of each of them? The present study is innovative in terms of combining and simultaneously paying attention to the components of circular economy, clean production and the fourth generation industrial revolution in the era of digitalization of industries to evaluate their performance.

## METHODOLOGY

The present research is applied in terms of purpose and descriptive-survey in terms of method and nature. The research area is the active manufacturing industries in the food sector of Bushehr province. At first, dimensions and indicators were identified by library method and based on the study and content analysis of theoretical and experimental foundations of research.

The statistical population of this research consisted of experts and industrial and academic experts who were familiar with the subject empirically and theoretically. Eight of them were selected as sample members by non-randomized purposive judgmental method. In this section, the criteria for selecting experts were their theoretical familiarity and expertise in the fields of environmentalism, sustainable management, the 4.0 generation industrial revolution, and circular economics. The data collection tool is a researcher-made questionnaire. The validity of this questionnaire was confirmed by face content analysis approach and its reliability was confirmed by Cronbach's alpha method with a value of 0.705. In order to analyze the data, the stepwise



or equilibrium evaluation ratio analysis approach was used in fuzzy environment. This approach is one of the multi-criteria decision making methods for weighting the indicators. The main feature of this method compared to other similar methods is its ability to evaluate the accuracy of experts' opinions about the weight indicators given during the method process, ease of implementation and no need for high comparisons. In addition, in this method, experts can consult with each other, which makes the results more accurate than other methods.

## **FINDINGS**

In order to analyze the data, the stepwise or equilibrium evaluation ratio analysis approach was used in fuzzy environment. After identifying the indicators, a questionnaire was designed and provided to the experts in absentia to receive comments.

	first expert			second expert		Third expert			
	Down	medium	Top	Down	medium	Top	Down	medium	Top
Clean production	1	1	1	1	1	1	1	1	1
Circular economy	0.67	1	1.5	0.4	0.5	0.67	0.4	0.5	0.67
۴.∙Industries	0.4	0.5	0.67	0.4	0.5	0.67	0.29	0.33	0.4
	fourth expert		fifth expert			sixth expert			
Clean production	1	1	1	1	1	1	1	1	1
Circular economy	1	1	1.5	0.29	0.33	0.4.	1	1	1
۴.∙Industries	0.4	0.5	0.67	1	1	1	0.29	0.33	0.4
	seventh expert		eighth expert						
Clean production	1	1	1	1	1	1			
Circular economy	1	1	1.5	0.29	0.33	0.4			
۴.۰Industries	0.4	0.5	0.67	0.4	0.5	0.67			

The final weight of dimensions and indicators of sustainable performance of industries were calculated.



Dimensions	Final	Indicator	Final
	weight		weight
۴Industries	0.23	Internet of Things	0.014
		Big data technology	0.058
		Smart factory and cloud	0.023
		production	
		D printing technology י	0.099
		Robotic system	0.035
Clean production	0.39	Top management support	0.168
		Management of energy	0.117
		consumption and resources	
		Green design and packaging	0.047
		Buy green	0.074
Circular economy	0.3	Investment	0.033
		Waste recycling	0.138
		Reuse of second-hand materials	0.081
		Sales of recyclable materials	0.051

## CONCLUSION

The results showed that clean production and circular economy have the highest relative importance of improving the sustainable performance of manufacturing industries, respectively. Gupta et al. (2021), in their study, stated that circular economy and clean production have the most prominent role in the sustainable performance of organizations, which is consistent with the results of this study. Also, among the indicators; Excellent management support, waste recycling, energy and resource management and 3D printing have the highest weight. Therefore, more attention should be paid to these factors. However, it should be noted that the implementation of each of the indicators is likely to have many obstacles and contradictions; Therefore, researchers can explore these problems in future studies.

This can be due to the lack of access to technology transfer and learning channels (including imitation through observation of fourth generation industries, import of equipment and technical knowledge, scientific and technological relations with leading countries). Strengthen the infrastructure and prerequisites needed for the country's industries to implement the developments of the Fourth Industrial Revolution. One of the limitations of this research can be in collecting data with a researcher-made questionnaire in the form of new dimensions and concepts based on the opinions of experts.



The basic premise of this method is the equality of experts in terms of knowledge. Since there is a knowledge gap between experts in terms of familiarity with the concepts of these dimensions, this can lead to bias. Therefore, it is hoped that this limitation will be removed in other research by taking the necessary measures.

### Reference

- Alam, G. M., Forhad, A. R., & Ismail, I. A. (2020). Can education as an 'International Commodity'be the backbone or cane of a nation in the era of fourth industrial revolution?-A Comparative study. Technological Forecasting and Social Change, 159, 120184.
- Andrews, D. (2015). The circular economy, design thinking and education for sustainability. Local economy, 30(3), 305-315.
- Bag, S., Wood, L. C., Xu, L., Dhamija, P., & Kayikci, Y. (2020). Big data analytics as an operational excellence approach to enhance sustainable supply chain performance. Resources, conservation and recycling, 153, 104559.
- Barros, M. V., Salvador, R., do Prado, G. F., de Francisco, A. C., & Piekarski, C. M. (2021). Circular economy as a driver to sustainable businesses. Cleaner Environmental Systems, 2, 100006.
- Bocken, N. M., De Pauw, I., Bakker, C., & Van Der Grinten, B. (2016). Product design and business model strategies for a circular economy. *Journal of industrial and production engineering*, 33(5), 308-320.
- Boulding, K. E. (1966). The economics of knowledge and the knowledge of economics. The American Economic Review, 56(1/2), 1-13.
- Ching, N. T., Ghobakhloo, M., Iranmanesh, M., Maroufkhani, P., & Asadi, S. (2022). Industry 4.0 applications for sustainable manufacturing: A systematic literature review and a roadmap to sustainable development. Journal of cleaner production, 334, 130133.
- Coelho, L. M. G., & Lange, L. C. (2018). Applying life cycle assessment to support environmentally sustainable waste management strategies in Brazil. Resources, conservation and recycling, 128, 438-450.
- Garcés-Ayerbe, C., Rivera-Torres, P., Suárez-Perales, I., & Leyva-de la Hiz, D. I. (2019). Is it possible to change from a linear to a circular economy? An overview of opportunities and barriers for European small and medium-sized enterprise companies. *International journal* of environmental research and public health, 16(5), 851.



- Geissdoerfer, M., Savaget, P., Bocken, N. M., & Hultink, E. J. (2017). The Circular Economy–A new sustainability paradigm? *Journal of cleaner production*, 143, 757-768.
- Grafström, J., & Aasma, S. (2021). Breaking circular economy barriers. *Journal of cleaner production*, 292, 126002.
- Gupta, H., & Barua, M. K. (2017). Supplier selection among SMEs on the basis of their green innovation ability using BWM and fuzzy TOPSIS. *Journal of cleaner production*, 152, 242-258.
- Gupta, H., Kumar, A., & Wasan, P. (2021). Industry 4.0, cleaner production and circular economy: An integrative framework for evaluating ethical and sustainable business performance of manufacturing organizations. *Journal of cleaner production*, 295, 126253.
- Hart, J., Adams, K., Giesekam, J., Tingley, D. D., & Pomponi, F. (2019). Barriers and drivers in a circular economy: The case of the built environment. *Procedia Cirp*, 80, 619-624.
- Hosseinpoor, A., ghorbanpour, a., & Shabandarzadeh, H. (2023). Evaluating the Efficiency of Circular Economies in Persian Gulf Countries in Terms of Municipal Solid Waste Management. *Quarterly Journal of Quantitative Economics*, -. doi:10.22055/jqe.2023.42312.2523
- Jovita, O., Chibuzor, A., & Onyemachi, U. (2019). Green management and organizational effectiveness. *Strategic Journal of Business and Social Science*, 2(2), 1-22.
- Kamble, S. S., Gunasekaran, A., & Gawankar, S. A. (2018). Sustainable Industry 4.0 framework: A systematic literature review identifying the current trends and future perspectives. *Process safety and environmental protection*, 117, 408-425.
- Kazancoglu, Y., Kazancoglu, I., & Sagnak, M. (2018). A new holistic conceptual framework for green supply chain management performance assessment based on circular economy. *Journal of cleaner production*, 195, 1282-1299.
- Keršuliene, V., Zavadskas, E. K., & Turskis, Z. (2010). Selection of rational dispute resolution method by applying new step-wise weight assessment ratio analysis (SWARA). *Journal of business economics and management*, 11(2), 243-258.
- Kirchherr, J., Reike, D., & Hekkert, M. (2017). Conceptualizing the circular economy: An analysis of 114 definitions. *Resources, conservation and recycling*, 127, 221-232.



- Masi, A., Balossi Restelli, F., Sabato, D., Vignola, C., & Sadori, L. (2018). Timber exploitation during the 5th–3rd millennia BCE at Arslantepe (Malatya, Turkey): environmental constraints and cultural choices. *Archaeological and Anthropological Sciences*, 10, 465-483.
- McDonough, W., & Braungart, M. (2013). *The upcycle: Beyond sustainability--designing for abundance*: Macmillan.
- Merli, R., Preziosi, M., & Acampora, A. (2018). How do scholars approach the circular economy? A systematic literature review. *Journal of cleaner production*, 178, 703-722.
- Moktadir, M. A., Rahman, T., Rahman, M. H., Ali, S. M., & Paul, S. K. (2018). Drivers to sustainable manufacturing practices and circular economy: A perspective of leather industries in Bangladesh. *Journal of cleaner production*, 174, 1366-1380.
- Murray, A., Skene, K., & Haynes, K. (2017). The circular economy: an interdisciplinary exploration of the concept and application in a global context. *Journal of business ethics*, *140*, 369-380.
- Petrillo, A., De Felice, F., Cioffi, R., & Zomparelli, F. (2018). Fourth industrial revolution: Current practices, challenges, and opportunities. *Digital transformation in smart manufacturing, 1*, 1-20
- Rajput, S., & Singh, S. P. (2018). Identifying Industry 4.0 IoT enablers by integrated PCA-ISM-DEMATEL approach. *Management Decision*, 57(8), 1784-1817.
- Rincón-Moreno, J., Ormazábal, M., Álvarez, M., & Jaca, C. (2021). Advancing circular economy performance indicators and their application in Spanish companies. *Journal of cleaner production*, 279, 123605.
- Salmenperä, H., Pitkänen, K., Kautto, P., & Saikku, L. (2021). Critical factors for enhancing the circular economy in waste management. *Journal of cleaner production*, 280, 124339.
- Seman, N. A. A., Govindan, K., Mardani, A., Zakuan, N., Saman, M. Z. M., Hooker, R. E., & Ozkul, S. (2019). The mediating effect of green innovation on the relationship between green supply chain management and environmental performance. *Journal of cleaner production*, 229, 115-127.
- Toxopeus, M. E., De Koeijer, B., & Meij, A. (2015). Cradle to cradle: effective vision vs. efficient practice? *Procedia Cirp*, 29, 384-389.



- Tseng, M.-L., Tan, R. R., Chiu, A. S., Chien, C.-F., & Kuo, T. C. (2018). Circular economy meets industry 4.0: can big data drive industrial symbiosis? *Resources, conservation and recycling, 131*, 146-147.
- Welford, R., & Gouldson, A. (1993). *Environmental management & business strategy*: Pitman Publishing Limited.
- Xu, L. D., Xu, E. L., & Li, L. (2018). Industry 4.0: state of the art and future trends. *International journal of production research*, 56(8), 2941-2962.
- Xu, M., David, J. M., & Kim, S. H. (2018). The fourth industrial revolution: Opportunities and challenges. *International journal of financial research*, 9(2), 90-95.
- Yeh, W.-C., & Chuang, M.-C. (2011). Using multi-objective genetic algorithm for partner selection in green supply chain problems. *Expert Systems with applications*, 38(4), 4244-4253.
- zaroki, s., yousefi barfurushi, a., & Fathollahzadeh, A. (2023). The Comprehensive Analysis of the Impact of Globalization on Environmental Pollution in Iran with Emphasizing on Triple Dimensions and Dual Components. *Quarterly Journal of Quantitative Economics*, 19(4), 1-41. doi:10.22055/jqe.2021.33177.2239.