Gendered Approaches to Circular Economy Finance: Women-Led Startups and Sustainable Resource Efficiency

Yashika Balani
BSSS Institute of Advanced Studies, Bhopal
Dr. Pooja Sharma
Associate Professor
BSSS Institute of Advanced Studies, Bhopal

ABSTRACT

One of the most important routes to attaining environmental sustainability and effective resource use is the shift from a linear to a circular economy. Finance for the circular economy is essential to company models that prioritize waste reduction, recycling, and reuse. In this regard, the role that women-led companies play in promoting socially conscious and sustainable entrepreneurship has drawn more attention. By analysing how women-led companies implement sustainable financial practices to support resource efficiency and circular company operations, this study investigates gendered approaches to financing the circular economy. The study intends to investigate the financial strategies used by female entrepreneurs in green companies and evaluate how they contribute to the advancement of circular economy ideas.

The study employs a mixed-method research methodology, including secondary data from reports, scholarly literature, and sustainability disclosures in addition to primary data gathered from structured questionnaires and interviews with female founders. Financial practices such ethical funding models, cost-effective resource management, reinvestment methods, and access to green finance are the main focus of the analysis. It is anticipated that the results will show how women-led companies exhibit a good connection between the goals of the circular economy and sustainable financial decision-making, which helps to improve resource efficiency, recycle more, and generate less trash. The study also highlights the main institutional and financial obstacles that female entrepreneurs must overcome, such as their restricted access to impact investment and funding.

This study adds to the body of knowledge on sustainable finance and entrepreneurship by using a gender-responsive approach. It also provides useful information for investors, legislators,

and support organizations looking to increase financing for women-led green companies through the circular economy.

Keywords: Circular Economy Finance, Women-Led Green Startups, Sustainable Financial Practices, Gender-Responsive Entrepreneurship, Resource Efficiency.

INTRODUCTION

The global shift to a circular economy framework has been accelerated by the escalating environmental problems linked to the conventional linear economic model of "take–make–dispose" (Geissdoerfer et al., 2017). In order to separate economic expansion from environmental deterioration, the circular economy encourages resource efficiency, waste reduction, reuse, recycling, and regenerative production systems (Kirchherr et al., 2017). By directing funds toward ecologically conscious businesses, encouraging green innovation, and bolstering long-term sustainability goals, circular economy finance plays a crucial enabling role in this shift (Dikau & Volz, 2021). In order to support circular business transformation, sustainable financial practices—such as impact investing, ethical finance, reinvestment strategies, and ESG-based funding—have become more and more popular (OECD, 2020).

Women entrepreneurs are being acknowledged as significant contributors to green and circular companies in this changing sustainability landscape. According to research, women-led businesses frequently exhibit more dedication to inclusive growth and social and environmental responsibility (Hechavarría et al., 2017). Additionally, research shows that female leaders usually prioritize long-term value creation, stakeholder involvement, and ethical governance—all of which are strongly related to circular economy models (Post & Byron, 2015). Nevertheless, despite these efforts, little empirical study explicitly looks at how gender influences financial judgment and the acceptance of circular economy concepts in entrepreneurial ecosystems, especially in developing nations.

The practical integration of circular economy principles with sustainable financial practices is exemplified by a number of women-led green initiatives in India. Phool, for instance, promotes trash valorization and resource recovery by turning leftover temple flowers into environmentally friendly incense and biodegradable packaging. Bare Necessities promotes zero-waste lives by using personal care and household goods devoid of plastic. Through ecological retailing and mindful consumption, Twirl Store promotes circular fashion. To lessen its influence on the environment, BEEJ manufactures lifestyle products including compostable

stationery. Carmesi provides biodegradable menstrual hygiene products that promote social well-being and environmental sustainability.

In addition to implementing circular production methods, these businesses scale sustainably by leveraging cutting-edge finance strategies like impact investing, crowdfunding, bootstrapping, and ethical reinvestment. By balancing profitability with social value creation and environmental stewardship, these models demonstrate how gender-responsive entrepreneurship may support financing for the circular economy.

Therefore, by analysing how women-led firms include sustainable financial practices to encourage reuse, recycling, and resource efficiency, this study aims to investigate gendered approaches to circular economy financing. The research adds to the growing body of knowledge on sustainable finance, women's entrepreneurship, and the development of the circular economy by examining funding sources, operational tactics, and financial decision-making patterns across a few chosen case studies. In order to create more inclusive and gender-responsive financial frameworks that promote sustainable economic growth, the findings are intended to educate investors, legislators, and entrepreneurial ecosystems.

Literature Review

1. Circular Economy and Sustainable Business Models

As a sustainable substitute for the conventional linear economic model, the idea of the circular economy has drawn a lot of scholarly and policy attention. The circular economy, according to the Ellen MacArthur Foundation (2013), places a strong emphasis on renewing natural systems, designing out waste, and preserving goods and materials. According to academics, circular business models reduce environmental externalities and support sustainable production systems by emphasizing resource efficiency, recycling, remanufacturing, and reuse.

According to research, because traditional financial institutions frequently put short-term profits ahead of long-term environmental value creation, circular firms need creative financing arrangements. Circular transitions have been found to be significantly facilitated by sustainable financial practices, including blended finance methods, impact investing, green bonds, and ESG-based funding (Kirchherr et al., 2018).

2. Circular Economy Finance and Sustainable Financial Practices

Financial mechanisms that promote resource-efficient and ecologically restorative company models are referred to as circular economy finance. According to studies, capital allocation decisions involving sustainable financial practices incorporate environmental, social, and governance (ESG) factors (Schoenmaker & Schramade, 2019). Long-term sustainability results are given equal weight with profitability in impact investment and ethical finance models.

According to empirical research, entrepreneurs involved in sustainable production, recycling, and waste management frequently turn to alternative funding sources including angel investors, crowdsourcing, and mission-driven venture capital (Bocken et al., 2016). Scholars do, however, also point to structural obstacles, such as low investor awareness, a lack of regulatory support for circular initiatives, and risk perceptions.

3. Gender and Sustainable Entrepreneurship

According to gender studies in entrepreneurship, women entrepreneurs frequently exhibit greater degrees of ethical responsibility, social orientation, and community involvement (Brush et al., 2019). According to feminist economics literature, women-led businesses usually incorporate social and environmental goals into their company plans, which is in line with sustainability.

According to additional research, women are more willing to invest in companies that help the environment and society (Hechavarría et al., 2017). However, systemic gender prejudices and restricted collateral availability make it disproportionately difficult for women entrepreneurs to obtain formal finance, venture capital, and institutional investment, even though contribute Scholarly research on the relationship between gender and circular economy finance is still lacking. Few studies have looked at whether women-led businesses use unique financial strategies that improve.

3. Women-Led Green Startups in India: Emerging Evidence

A number of green firms backed by women in India serve as examples of how circular ideas and sustainable finance may coexist.

By turning temple flower waste into sustainable materials, biodegradable packaging, and environmentally friendly incense, Phool is a prime example of waste valorization. Circular resource use and reinvestment tactics in line with environmental restoration are reflected in its

business strategy.
Bare Necessities offers sustainable, plastic-free home goods to encourage zero-waste living. With the help of impact-oriented funding, the company integrates community-driven supply chains and ethical sourcing.

Twirl Store promotes ecologically friendly manufacture and thoughtful retail with an emphasis on circular consumption models and sustainable fashion.
BEEJ promotes eco-friendly items and compostable stationery to lessen reliance on plastic and promote resource efficiency.
Carmesi combines environmental sustainability with women's health awareness by offering biodegradable menstruation hygiene products.

These businesses serve as examples of how female entrepreneurs incorporate sustainability into important operational and financial choices. However, the majority of the material now in publication addresses these companies separately rather than analyzing them from the perspectives of gendered financial strategy and circular economy finance.

Research Gap

There is a lot of study on women entrepreneurs, sustainable financing, and circular economy models separately, but not much that looks at how gender and circular economy finance interact. In particular, there is a dearth of empirical data on how women-led firms set up their finance procedures to encourage resource efficiency, recycling, and reuse.

There isn't a thorough examination of:
• Disparities in sustainable financial decision-making depending on gender
• Financial resources for circular economy startups led by women • The connection between long-term environmental performance and women's leadership
By examining gendered methods to financing the circular economy through a selection of women-led green companies in India, this study seeks to close this gap.

Objectives of the Study

1. To investigate how women-led green startups like Phool, Bare Necessities, Twirl Store, BEEJ, and Carmesi have embraced the concepts of the circular economy.

2. Examine the sustainable financial methods used by these female-led green firms, such as impact investing, reinvestment plans, ethical finance, and ESG-focused financing.

3. Evaluate the ways in which financial mechanisms support waste reduction, recycling, reuse, and effective resource use in particular businesses.

4. Assess the connection between the incorporation of sustainability-focused financial decision-making and women's leadership.

5. Determine the institutional and financial obstacles that women-led circular economy businesses must overcome in order to raise money and expand their sustainable operations.

Research Methodology

Research Design

In order to investigate gendered approaches to circular economy finance in women-led green businesses, the study uses a descriptive and analytical research design. An in-depth understanding of the implementation of the circular economy and sustainable finance practices across particular firms is developed through the use of different case studies. Comparative analysis and the discovery of common trends in resource efficiency tactics, sustainability integration, and financial decision-making are made possible by this approach.

Nature of the Study

The research is both explanatory and exploratory. It examines the connection between gender-responsive leadership and sustainable financial practices and investigates how women-led firms incorporate circular economy principles into their operational and financial strategies.

Study Area and Sample Selection

The study focuses on a few Indian green firms that are actively using circular economy

principles and are either led by or supported by women. Among the businesses are: • School
• Essentials
• The Twirl Store
• BEEJ
• Carmesi

Purposive sampling was used to choose these startups based on the following standards: • Businesses run or supported by women • Participation in fields that promote environmental sustainability
• The application of circular economy techniques such waste valorization, composting, recycling, reuse, and sustainable manufacturing

Sources of Data

The study only uses secondary data that was gathered from: • Business websites and disclosures about sustainability
• Research articles and scholarly journals published
Reports from NGOs and the government • Trade journals about women entrepreneurs and the circular economy
• Publicly accessible records and financial news reports

Data Analysis Techniques

Qualitative comparative case analysis was used to analyse the data. Recurring themes pertaining to resource efficiency, reinvestment methods, ESG integration, sustainable finance practices, and waste management techniques were found using thematic analysis. To investigate parallels and discrepancies in financial models and the adoption of the circular economy, a cross-case analysis was carried out.

Variables of the Study

Independent Variables:

- Gender-responsive leadership
- Sustainable financial practices

Dependent Variables:

- Adoption of circular economy practices

- Resource efficiency
- Waste reduction
- Sustainability-oriented business performance

Limitations of the Study

- Limited number of case enterprises
- Dependence on publicly available secondary data
- Limited access to detailed financial disclosures
- Findings may not be generalized to all green startups

Ethical Considerations

The study is based entirely on publicly available information. All data have been used strictly for academic purposes with appropriate acknowledgement of sources.

Conceptual Framework

The conceptual framework put forward in this study clarifies the connection between circular economy funding and gender-responsive leadership in women-led green companies. The concept is predicated on the idea that financial decision-making is influenced by leadership orientation, which in turn defines operational strategies that are driven by sustainability. The paradigm views gender-responsive leadership as a crucial precondition for sustainable financial practices, drawing on ideas from sustainable finance viewpoints and stakeholder theory.

Ethical governance, stakeholder awareness, long-term focus, and dedication to social and environmental responsibility are traits of gender-responsive leadership. Previous studies indicate that women entrepreneurs are more likely to follow responsible governance methods and pursue socially and ecologically oriented initiatives (Hechavarría et al., 2017). Alignment with ESG-based financing mechanisms, risk preferences, reinvestment tactics, and funding source selection are all influenced by this type of leadership attitude.

The relationship between leadership orientation and operational sustainability is mediated by sustainable financial practices, such as impact-oriented investment, ethical reinvestment, and mission-aligned resource allocation. Long-term ecological and social benefits are given precedence over immediate profit maximization when financial methods are in line with environmental objectives. More incorporation of circular economy principles into corporate

operations is made possible by this financial alignment. Reuse, recycling, waste valorization, sustainable sourcing, and biodegradable innovation are all examples of circular economy practices that are adopted as a direct result of financial decisions that are focused on sustainability. Businesses like Phool, Bare Necessities, Twirl Store, BEEJ, and Carmesi provide as examples of how gender-responsive finance strategies support waste minimization and resource efficiency in circular production models.

The framework suggests a directional relationship:

Gender-Responsive Leadership → Sustainable Financial Practices → Circular Economy Adoption → Sustainability Performance Outcomes.

The model adds to the growing conversation on circular economy finance and gender-responsive entrepreneurship by viewing finance as a strategic enabler rather than a neutral resource. It emphasizes that financial decisions are motivated by values as much as by economic considerations, which supports the contribution of women-led businesses to the advancement of sustainable economic change.

Findings

Based on the comparative analysis of selected women-led green startups—Phool, Bare Necessities, Twirl Store, BEEJ, and Carmesi—several recurring patterns emerged regarding gender-responsive leadership, sustainable financial practices, and circular economy integration.

1. **Integration of Circular Economy Principles**

All of the chosen businesses exhibit a high level of circular economy adoption. Their operating methods regularly incorporate waste valorization, compostable materials, biodegradable inputs, plastic-free production, and sustainable sourcing.
While Bare Necessities and Twirl Store encourage thoughtful consumption and a decrease in single-use items, Phool is a prime example of waste-to-wealth conversion through the recycling of temple flowers. In order to lessen their long-term environmental impact, BEEJ and Carmesi concentrate on developing compostable and biodegradable products.
In every instance, circularity is viewed as a fundamental company strategy rather than an add-on.

2. **Sustainable Financial Practices**

According to the analysis, these businesses mostly rely on funding strategies that are ethical and in line with sustainability. Typical designs consist of

• Self-funded or bootstrapped early-stage businesses
• Gradual scaling via moral profit reinvestment
• Consistency with impact-driven investors

• Prioritizing long-term financial viability over maximizing profits in the short term
A preference for patient capital and mission-consistent finance is shown in the clear alignment between funding techniques and environmental mission.

4. Gender-Responsive Leadership Orientation

According to secondary data analysis, these businesses' leadership has a high commitment to social responsibility, stakeholder sensitivity, and ethical orientation. The business models highlight: ## Involvement of the community
• Environmental stewardship
• Practices for inclusive employment
• Educating consumers on sustainable living
Decision-making appears mission-driven rather than purely market-driven, reinforcing the relationship between gender-responsive entrepreneurship and sustainability integration.

5. Resource Efficiency and Waste Reduction Outcomes

Every example company exhibits quantifiable dedication to resource efficiency by: • Models for upcycling and recycling
• Less reliance on raw materials
• Innovation in biodegradable and compostable products
• Production processes that are closed-loop or almost closed-loop
This suggests that operational effectiveness and environmental results are directly impacted by sustainable finance decisions.

6. Financial and Structural Constraints

Despite a heavy focus on sustainability, common issues are apparent: • Restricted availability of substantial venture finance
The cost of producing sustainable materials is higher.
Sensitivity to market prices

• The necessity of raising customer awareness

These limitations point to systemic obstacles to the expansion of circular economy initiatives, especially in developing nations. The comparative study shows a strong correlation between financing for the circular economy and gender-responsive leadership. Resource-efficient company concepts and sustainable finance practices are strongly aligned with women-led green enterprises.

These businesses incorporate environmental responsibility into fundamental financial and operational decision-making rather than divorcing sustainability from profitability. The results show that circular economy financing promotes inclusive growth, ethical capital deployment, and long-term sustainability when it is molded by gender-responsive entrepreneurship.

Recommendations

Based on the analysis of selected women-led green startups—Phool, Bare Necessities, Twirl Store, BEEJ, and Carmesi—the following recommendations are proposed:

1.Strengthen Gender-Responsive Circular Finance Frameworks

Policymakers and financial institutions ought to create funding programs specifically for women-led circular economy businesses. Capital access obstacles can be lowered by concessional loans, ESG-linked financial instruments, and gender-sensitive green credit lines.

2. Promote Impact and Patient Capital

Instead of promoting short-term, profit-driven investments, investors ought to support long-term, mission-aligned capital. Women-led green startups with quantifiable environmental and social results can be given preference by impact investing platforms.

3. Develop Capacity-Building and Financial Literacy Support

Training in ESG reporting, circular business modelling, and sustainable finance management ought to be offered by entrepreneurial ecosystems. Enhancing financial planning skills can boost investor confidence and scalability.

4. Encourage Policy Incentives for Circular Enterprises

Tax breaks, biodegradable material subsidies, and procurement assistance for certified circular products are a few examples of government programs. Higher production costs linked to sustainable inputs would be somewhat mitigated by this.

5. Enhance Market Awareness and Consumer Education

Campaigns to raise consumer awareness and sustainability certifications can boost demand for circular products and consumer trust. Increased market acceptance will help women-led green businesses generate more consistent revenue.

7. Foster Collaborative Networks

Establishing networks that link female businesses with sustainability specialists, impact investors, and circular economy incubators can improve financial access and knowledge sharing.

CONCLUSION

According to this study, women-led green companies like Carmesi, BEEJ, Twirl Store, Phool, and Bare Necessities successfully combine sustainable financial practices with the ideas of the circular economy. While overcoming operational and financial obstacles, their gender-responsive leadership encourages ethical fundraising, resource efficiency, recycling, and reuse. In addition to supporting environmental sustainability, these firms show how important women entrepreneurs are to the advancement of inclusive, ethical, and sustainable business models in India.

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