Quest Journals
Journal of Research in Business and Management
Volume 14 ~ Issue 8 (August 2026) pp: 153-159
ISSN(Online):2347-3002
www.questjournals.org

Research Paper

Waste to Value: Designing a Micro Circular Economy Model for Urban Sustainability in Amritsar

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Abstract:
This research paper interrogates the potential for transforming municipal solid waste (MSW) generated in small residential and community clusters of Amritsar, India, into viable, profitable micro-business models. Moving beyond waste as an environmental liability, this study positions it as a critical resource and an untapped economic asset within a circular economy (CE) framework. Through a mixed-methods approach combining quantitative waste audits, spatial analysis, stakeholder interviews, and financial feasibility modelling, the paper develops a localized "Micro Circular Economy Model" (MCEM). The findings reveal that organic waste (constituting ~65% of Amritsar's MSW) and specific recyclables like plastics, paper, and temple waste (prasad remnants, floral offerings) hold significant valorization potential. The proposed MCEM centres on decentralized, community-embedded micro-enterprises for bio-composting, recyclable aggregation, and niche product creation. Financial analysis indicates that a compost-based micro-unit servicing 200-300 households can achieve breakeven within 14-18 months, with an estimated annual net profit of INR 1.2-1.8 lakhs. The model further integrates digital platforms for waste tracking and market linkage, and social entrepreneurship for inclusive job creation. This study demonstrates that a systems-thinking approach to urban waste in Amritsar can catalyze environmental sustainability, foster local economic resilience, and offer a replicable blueprint for secondary cities in the Global South grappling with inefficient linear waste systems.

Keywords: *Circular Economy, Municipal Solid Waste, Micro-enterprise, Amritsar, Urban Sustainability, Resource Recovery, Decentralized Waste Management.*

I. Introduction: From Linear Burden to Circular Asset

The city of Amritsar, a historic urban centre in Punjab, India, renowned for the Golden Temple, faces a mounting crisis in municipal solid waste (MSW) management. With a population exceeding 1.2 million and a steady influx of pilgrims and tourists, the city generates approximately 900-1000 metric tonnes of waste daily (Municipal Corporation Amritsar [MCA] 2022). The prevailing waste management system is predominantly linear characterized by collection, transportation, and indiscriminate dumping in landfills imposing severe environmental costs (groundwater contamination, methane emissions) and escalating municipal expenditures. This linear model is not only ecologically unsustainable but also economically inefficient, as it systematically discards valuable material streams.

This research posits a paradigm shift: viewing waste not as a terminal problem but as the starting point for a regenerative economic cycle. The core question guiding this study is: Can waste generated in small residential or community areas be transformed into a profitable micro-business model in Amritsar? This inquiry is underpinned by the principles of the Circular Economy (CE), which aims to eliminate waste and pollution, circulate products and materials, and regenerate nature (Ellen MacArthur Foundation 2017).

The significance of this research is threefold. First, it aligns with national missions like the Swachh Bharat Mission (Urban) and the Waste-to-Wealth initiative, seeking locally adaptable solutions. Second, it addresses urban sustainability by reducing landfill pressure and greenhouse gas emissions. Third, and most critically, it explores waste as an untapped economic asset and a sustainability opportunity capable of fostering green entrepreneurship, creating livelihoods, and enhancing community resilience.

This paper proposes a novel "Micro Circular Economy Model" (MCEM) tailored to Amritsar's socio-cultural and material fabric. It demonstrates systems thinking by integrating technical, economic, social, and spatial dimensions. It showcases innovation in environmental-business models by designing micro-enterprises that are financially self-sustaining and embedded within local ecosystems. The subsequent sections present a

literature review, detailed methodology, analysis of Amritsar's waste stream, the proposed MCEM, financial and social impact assessment, a discussion on challenges and enablers, and concluding remarks.

II. Literature Review: Circular Economy and Decentralized Waste Management

The concept of a Circular Economy has evolved from industrial ecology and cradle-to-cradle design, emphasizing closed-loop systems (Stahel 2016). In the context of MSW, CE principles advocate for source segregation, biological and technical cycle management, and value extraction at the highest possible utility (Kirchherr, Reike, and Hekkert 2017).

Globally, decentralized and community-based waste management models have shown promise. Examples include San Francisco's zero-waste programmes, Brazil's catadores (waste picker) cooperatives, and Bangladesh's Waste Concern model for community composting (Ahmed and Ali 2004). These models highlight the importance of local context, community participation, and appropriate scale.

In the Indian scenario, studies have explored composting in Bengaluru (Gill 2010), informal sector integration in Pune (Chikarmane 2012), and policies for extended producer responsibility. However, a significant gap exists in the literature concerning micro-scale, entrepreneur-driven circular models for mid-sized, culturally distinct cities like Amritsar. Most research focuses on megacities or national policy, overlooking the unique opportunities presented by smaller urban agglomerations where community ties are stronger, and logistics can be simplified.

Furthermore, while the valorization of organic waste through composting or biogas is well-documented, limited research exists on integrating cultural waste streams—such as religious offerings—into formal circular economy models. This study aims to fill these gaps by developing a context-specific, financially-articulated micro-model.

III. Methodology

This study employed a mixed-methods, sequential exploratory design conducted over eight months (January-August 2023).

3.1. Study Area: Amritsar city, with focus on three typified residential areas: a planned urban colony (Model Town), a dense inner-city mohalla (Katra Jaimal Singh), and a suburban residential area (Ranjit Avenue).

3.2. Data Collection:

- Quantitative: A stratified random sampling of 150 households was conducted for a waste characterisation audit (as per ASTM D5231). Daily waste was sorted, categorized (organic, paper, plastic, metal, inert, other), and weighed for seven consecutive days to establish a compositional baseline.
- Qualitative: 25 semi-structured interviews were held with key stakeholders: residents, safai karamcharis (municipal sanitation workers), informal waste pickers, local NGO officials, MCA engineers, and potential entrepreneurs. Two focus group discussions were held with Resident Welfare Associations (RWAs).
- Spatial & Market Analysis: Mapping of waste collection routes, existing kabadiwalas (itinerant buyers), and potential sites for micro-enterprises. Market research on prices for compost, recyclables, and niche products.

3.3. Financial Modelling: Pro-forma financial statements were developed for proposed micro-businesses, incorporating capital expenditure (CAPEX), operational expenditure (OPEX), revenue projections, and key metrics like Net Present Value (NPV), Internal Rate of Return (IRR), and payback period. Sensitivity analysis was performed on key variables.

3.4. Systems Design: The MCEM was designed using systems thinking tools, mapping material flows, stakeholder interactions, and value chains to identify leverage points for intervention.

IV. Analysis: Amritsar's Waste Stream and Valorization Potential

4.1. Waste Composition and Generation: The audit revealed an average per capita waste generation of 0.45 kg/day, consistent with other Indian cities. The composition was:

- Organic/ Biodegradable: 62-68% (kitchen waste, garden trimmings)
- Recyclables: 18-22% (Plastic [12%], Paper/Cardboard [6%], Metal [2%], Glass [2%])
- Inert & Others: 12-16% (including religious offering waste)

A distinctive finding was the significant volume of cultural-religious waste, primarily from temples and household rituals: floral offerings (marigolds, roses), organic prasad remnants, and biodegradable packing. This stream, often mixed, presents a unique, culturally resonant valorization opportunity.

4.2. Existing System Limitations: The MCA's collection system lacks universal source segregation. The informal sector (kabadiwalas, waste pickers) efficiently extracts high-value recyclables (PET bottles, newspaper), but low-value plastics and organics remain largely unmanaged, destined for landfill. This represents a systemic leakage of material value.

4.3. Identified Valorization Pathways:

1. Organic Waste: Aerobic composting to produce high-quality organic compost; vermicomposting for premium products; community biogas for local cooking energy.
2. Low-value Recyclables: Aggregation and processing of multi-layered plastics (MLP), chip bags, etc., for pyrolysis or sending to cement kilns as alternative fuel; shredding of hard plastics for manufacturing plastic lumber.
3. Cultural-Religious Waste: Separate collection of floral and organic prasad waste for dedicated vermicomposting or natural dye extraction (from flowers), creating "devotional compost" or niche craft products with cultural appeal.
4. Other Waste: Tetra-pak cartons for upcycled products; used cooking oil for biodiesel.

V. The Proposed Micro Circular Economy Model (MCEM) for Amritsar

The MCEM is a decentralized, community-centric framework designed to capture value at the neighbourhood level. Its core components are visualized in Figure 1 and detailed below.

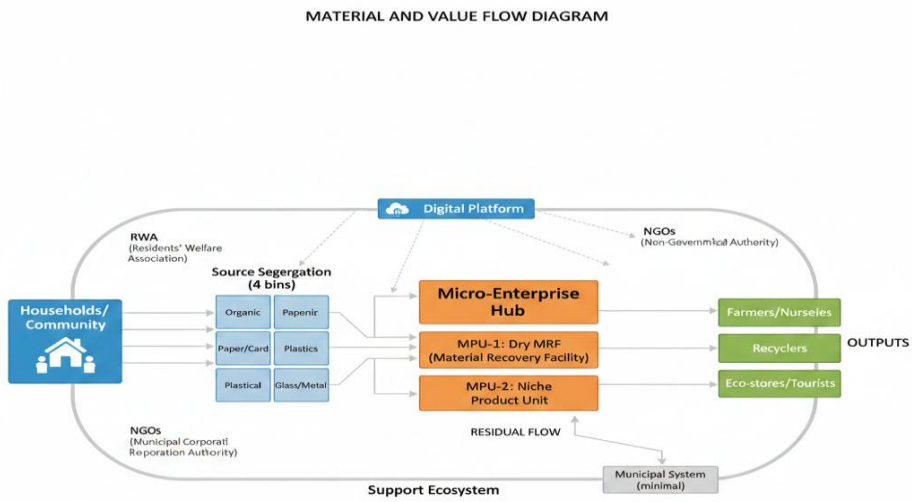


Figure 1: Systems Diagram of the Proposed Micro Circular Economy Model (MCEM) for Amritsar (A visual schematic showing the flow of materials and value. On the left, "Households/Community" boxes feed into "Source Segregation (4 bins)". Arrows lead to a central "Micro-Enterprise" hub. From this hub, arrows branch out to three "Micro-Processing Units (MPUs)": MPU-1 (Composting), MPU-2 (Dry MRF), MPU-3 (Niche Products). Output arrows from these MPUs lead to "Markets" (Farms/Nurseries, Recyclers, Eco-Stores/Tourists). A "Digital Platform" connects households and the enterprise. A "Support Ecosystem" box (RWA, MCA, NGO) surrounds the model, indicating governance. The residual waste flow to the municipal system is minimized and shown as a thin arrow.)*

Caption: The MCEM illustrates a closed-loop system where waste streams are processed locally into sellable products, minimizing residual waste and creating a circular flow of materials and revenue within the community.

5.1. Model Components:

- A. Source Segregation & Incentivized Collection: Households segregate waste into four streams: a) Organic (including cultural organic), b) High-value Dry (paper, cardboard, bottles), c) Low-value Dry (MLP, wrappers), d) Inert/Residual. A micro-enterprise, operated by 1-2 local entrepreneurs, manages collection using pushcarts or e-rickshaws, potentially offering rebates on user fees for consistent quality of segregation.
- B. Micro-Processing Units (MPUs): These are small-scale, locally-sited facilities.
    - MPU-1: Community Composting Hub: A secured, shaded area (500-1000 sq. ft.) for windrow composting or vermi-beds. Processes organic waste from 200-500 households. Output: Grade-A compost.
    - MPU-2: Dry Material Recovery Facility (MRF): A sorting shed for dry waste. High-value materials are baled and sold to recyclers. Low-value plastics are cleaned, shredded, and aggregated for bulk sale to cement plants or pyrolysis units.
    - MPU-3: Niche Product Unit: A small workshop for creating upcycled products from specific waste streams (e.g., paper from temple waste, devotional compost bags, upcycled tetra-pak notebooks).
- C. Digital Platform: A simple mobile/web application for households to schedule pickups, track waste diverted, and access educational content. For the entrepreneur, it provides logistics management and sales linkage.
- D. Market Linkage & Branding: Establishing offtake agreements with local farms, nurseries, and landscapers for compost. Creating a branded product ("Amritsar Greens" compost, "Guru's Garden" devotional compost) to command premium prices. Partnering with eco-stores and tourist outlets for upcycled products.
- E. Governance & Support Ecosystem: Involvement of RWAs for land provision and community mobilisation. Technical support from local NGOs/academic institutions. A formal "Micro-Circular Enterprise" license from the MCA, offering legitimacy and potentially preferential access to certain waste streams.

5.2. Operational Flow: The micro-enterprise collects segregated waste, processes it at the MPUs, sells the outputs, and charges a modest monthly user fee (e.g., INR 50-100 per household) to ensure revenue stability. Profits are reinvested and shared.

5.3. Stakeholder Map: The successful operation of the MCEM relies on the coordinated interaction of multiple actors, as mapped in Figure 2.

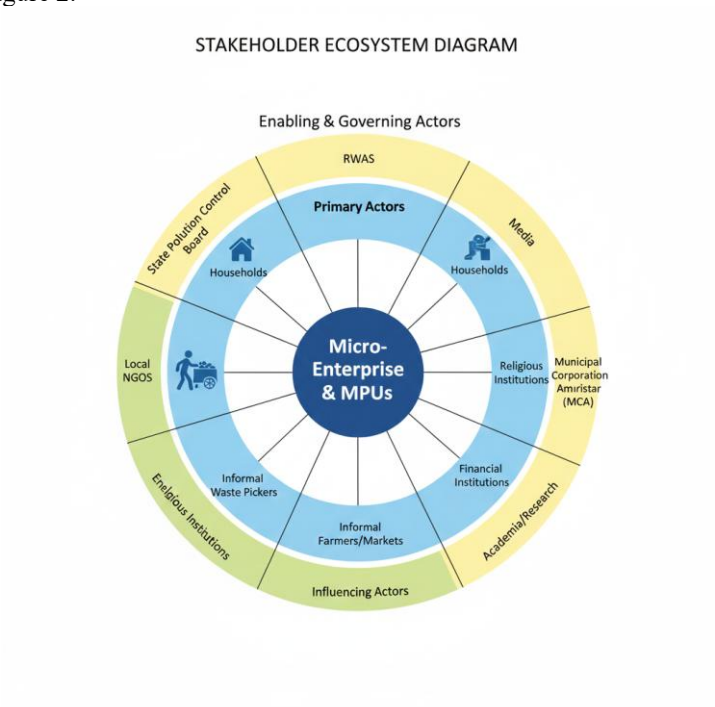


Figure 2: Stakeholder Ecosystem Map for the MCEM

(A concentric circle diagram. In the centre: "Micro-Enterprise & MPUs". In the first ring: "Primary Actors" (Households, Informal Waste Pickers, Farmers/Markets). In the second ring: "Enabling & Governing Actors" (RWAs, Religious Institutions, MCA, Local NGOs, Financial Institutions). In the outer ring: "Influencing Actors" (State Pollution Control Board, Academia/Research, Media). Connecting lines show relationships like "Provides Segregated Waste", "Provides Land", "Provides License/Support", "Creates Demand".)
Caption: This map identifies all key stakeholders in the MCEM ecosystem, clarifying their roles and interrelationships, from primary participants to enabling and influencing bodies.

VI. Financial Viability and Social Impact Assessment

6.1. Financial Feasibility of a Composting-Centric Micro-Unit: The analysis focused on a model serving 250 households.

- CAPEX: Compost shed, tools, bins, e-rickshaw: INR 2,50,000 (possible subsidy/loan).
- OPEX (Monthly): Salaries (2 workers), maintenance, transport: INR 22,000.
- Revenue (Monthly):
  - User Fees (250 HHs @ INR 75): INR 18,750
  - Compost Sales (3.5 tonnes @ INR 8/kg): INR 28,000
  - Recyclables Sales: INR 4,000
  - Total Monthly Revenue: INR 50,750
- Monthly Net Profit: INR 28,750 (Revenue - OPEX).
- Key Metrics: Simple Payback Period: ~14 months. Annual Net Profit: ~INR 3.45 lakhs. IRR: >35%.

Sensitivity analysis shows the model remains robust with a 20% variation in compost yield or price. The revenue composition is visually deconstructed in Figure 3.

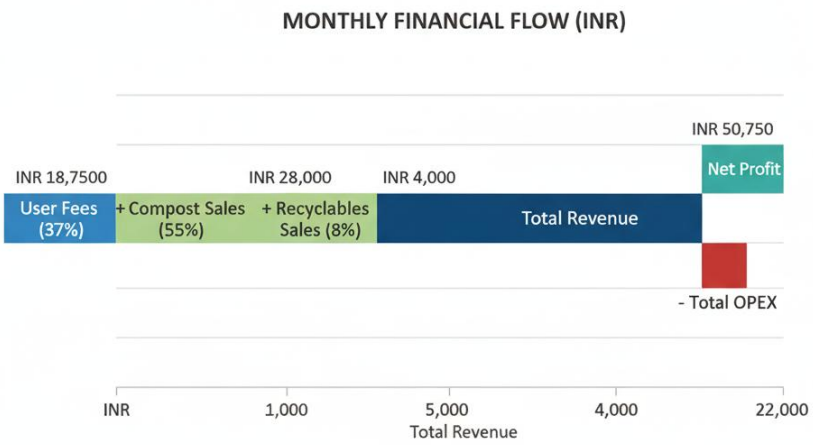


Figure 3: Financial Waterfall Chart for a Prototype MCEM Micro-Enterprise (Monthly) (A horizontal bar chart flowing from left to right. It starts with "User Fees (37%)" at INR 18,750. The next segment adds "Compost Sales (55%)" at INR 28,000. The third segment adds "Recyclables Sales (8%)" at INR 4,000, culminating in a "Total Revenue" bar of INR 50,750. Below, a descending arrow subtracts "Total OPEX" (INR 22,000) to leave the final bar: "Net Profit" at INR 28,750.)

Caption: This chart breaks down the monthly revenue streams of a prototype micro-enterprise, highlighting the significant contribution of compost sales and the stability provided by user fees, leading to a substantial net profit after operational costs.

6.2. Social Impact:

- Livelihood Creation: Direct employment for youth/women as entrepreneurs and workers.
- Inclusive Growth: Potential to formalize and partner with existing waste pickers, improving their incomes and working conditions.
- Community Empowerment: Fosters environmental stewardship, improves local cleanliness, and creates a sense of shared resource ownership.
- Public Health: Reduces open dumping, vector breeding, and landfill pollution.

VII. Discussion: Challenges, Enablers, and Scalability

7.1. Key Challenges:

- Behavioural Inertia: Achieving consistent source segregation requires sustained community engagement.
- Land Availability: Securing space for MPUs in dense urban areas is a critical hurdle.
- Initial Capital: Access to affordable start-up finance for entrepreneurs.
- Market Uncertainty: Fluctuating prices for compost and recyclables.
- Policy Ambiguity: Lack of clear local ordinances supporting micro-enterprises in waste management.

7.2. Critical Enablers:

- Community Leadership: Active RWAs and religious institutions (e.g., gurudwara committees) can be powerful champions.
- Public-Private-Community Partnership (PPCP): MCA can provide land, initial capital subsidy, and guaranteed offtake of compost for city parks.
- Digital Tools: Low-cost apps can enhance efficiency and transparency.
- Circular Culture: Leveraging Amritsar's ethos of seva (selfless service) and environmental care, as reflected in Sikh philosophy, to drive participation.

7.3. Scalability and Replication: The MCEM is designed for modular replication across Amritsar's neighbourhoods, creating a distributed network of micro-enterprises. For city-wide impact, a "feeder" system can be envisaged, where MPUs act as primary processors, and the MCA handles only the residual, non-processable fraction, drastically reducing its transport and disposal burden. The model is readily adaptable to other Indian secondary cities with high organic waste content and strong community structures.

VIII. Conclusion

This research conclusively demonstrates that the waste generated in Amritsar's residential areas is not merely a problem to be managed but a foundational resource for a localized, profitable, and sustainable circular economy. The proposed Micro Circular Economy Model (MCEM) provides a pragmatic blueprint for converting this untapped asset into economic value and environmental gain.

By embracing systems thinking, the model integrates social, technical, economic, and cultural dimensions, as depicted in the systems diagram and stakeholder map. Its innovation lies in its micro-scale, entrepreneurial focus, and its incorporation of unique local waste streams like religious offerings. The financial analysis, supported by the waterfall chart in Figure 3, confirms the profitability potential, with clear pathways to breakeven and sustainable returns, transforming waste management from a cost centre into a green micro-business opportunity.

The success of this model hinges on collaborative governance, community mobilization, and supportive policy frameworks. Future research should pilot specific MPUs to gather real-world operational data and refine the business cases. For Amritsar, a city of profound spiritual significance, adopting such a model would not only address a pressing civic issue but also embody a practical commitment to the principles of stewardship, sustainability, and shared prosperity—turning waste into true value.

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