

## BOOK OF ABSTRACTS

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### SCALING UP THROUGH COOPERATION: HOW VOLUNTARY AGGREGATION IN LOCAL ENVIRONMENTAL SERVICES SUPPORTS CIRCULAR ECONOMY GOALS

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#### **Abstract**

One key challenge in the provision of local services is balancing efficiency and public governance. This paper explores how different organisational models can combine these two objectives in achieving sustainability goals. Focusing on municipal solid waste and water management, the study discusses the expected welfare gains from business integration and introduces a model of voluntary municipal aggregation centred on a public industrial operator. Such an approach enables scale-up processes, allowing small municipalities to enhance service quality, investment capacity, and coordination efficiency through collective organisation. The proposed framework clarifies the interplay between scale, control, and social welfare. Results confirm the benefits of scale and scope and highlight how innovative institutional solutions can align efficiency objectives with circular economy principles. This work contributes to the debate on local public service governance by linking industrial organisation, public control, and sustainability within an integrated analytical perspective, highlighting how aggregations can unlock investments otherwise unattainable in fragmented contexts, which are essential to achieving circular economy goals requiring adequate infrastructure and plant capacity.

**Key words:** Public governance, waste management, water management in-house providing, public economics, Circular economy.