

THE CIRCULAR ECONOMY

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“Every piece of dust makes a mountain.”

“A Circular Economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing material and products as long as possible (Wikipedia).”

Circular model: replaces the extraction of resources with the transformation of existing products – and essentially does away with the notion of waste altogether.

The Problem:

In one case, that of wireless earbuds, introduced in 2014, by 2026 nearly all 750m, given their lifespan of two to five years, will be defunct. This left over mass of plastic, cooper, circuit boards, magnets, and batteries will join the trove of e-waste. And this is just one case of a very small, but essential digital item in today’s economy. Imagine all the other sectors, such as computers, smart phones, autos, appliances, and household gadgets.

Solutions:

1. Education, Training, Legislation, Corporate Strategy (Awareness and how-to)
2. Entrepreneurship in creative reuse and upcycling.
3. Design-in: (reuse, reform, reduce, remanufacture).
4. Right-to-repair in all products – from appliances to digital phones to autos, etc.
5. Design products with longer life-cycles.
6. Leverage vs hoarding: cuts costs and increases productivity.
7. Second hand market in used items (resale has gone from being a niche interest to mainstream [\$77bn by 2025]).

Case Study:

Swappie Corporation in Helsinki, Finland: uses a holistic approach on refurbishing used phones. To overcome peoples’ mistrust over quality of refurbishers, they handle every step in-house, from receiving the used phone to diagnosing and repairing them to sending them out and marketing them through traditional advertising and a well targeted influencer campaign. Revenues went from half a million Euros in its first year to 98 million by second year.

Summary: From linear [take – make – waster] to circular [make new again].