

Circular economy is not the panacea many had hoped for

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In recent years, the circular economy has become a guiding principle in industrial and environmental policies. But how good is it really? The definition of a circular economy is unclear and lacks substance, according to a team of researchers from Lund University and the Royal Institute of Technology in Sweden. It risks becoming counterproductive, unless we stop referring to it as a panacea for all kinds of environmental problems.

The circular economy has become a well-known and recognized model among businesses, regions, cities and NGOs worldwide—from China and Latin America to the EU and the U.S.. However, what is less discussed is that the model has received a great deal of criticism from both practitioners and researchers.

Researchers have now compiled these criticisms:

- The concept of a circular economy is so diffuse and sprawling that it is not possible to measure its impact. It includes everything from recycling systems, renting, replacing products with services, to developing apps for the [sharing economy](#), etc.
- Advocates of a circular economy tend to ignore the vast amount of materials and products that people have already accumulated. The concept is reduced to a question of choosing between linear and circular products and disregards physical laws about the physical limitations of materials and the complexity of the waste; even though these issues are crucial if a circular economy is to become a reality.
- Some businesses only develop circular activities for parts of their

operations. This may be due to the difficulty of scaling up pilot projects; often it is only a small part of the operation that is characterized by a circular economy, while the core activities continue as usual.

- Contrary to what the advocates say, there is poor knowledge about how a circular economy will affect the utilization of resources and growth. This makes it difficult to measure the environmental impact, especially in the long term and over larger geographical scales. Some claim that a circular economy only delays, rather than eliminates, the negative [environmental impact](#) of the linear economy.
- Although advocates of a circular economy claim to contribute to a socially [sustainable future](#) for all, the concept tends to be reduced to a debate about resource consumption. There is no connection to how the concept would lead to greater social equity.
- Some critics argue that the circular economy depoliticises industrial and [environmental policies](#) while advancing the power of the market and businesses. It is an enticing concept which promises that everyone will benefit from its implementation. It enables discussions about synergies, win-win and possibilities rather than about compromises, problems and limitations.

"In conclusion, criticism of the circular economy does not challenge the [concept](#) of circularity," says Hervé Corvellec, principal author of the study.

Rather, it is a case of how the supposed benefits are based on inconsistencies, an incomplete picture, hidden assumptions, agendas and unclear consequences. These are the questions we have to ask ourselves: how do we know that a circular solution is good for the environment? Who benefits from it and who does not? Will it phase out the linear [economy](#)—extract, produce, consume, discard?

Hervé Corvellec and the other researchers behind the compilation propose a more modest [circular economy](#), which is not presented as a panacea but as a real solution to concrete problems.

"Clarity is required regarding precisely what type of circularity it applies and what the conflicting objectives are," he concludes.

More information: Hervé Corvellec et al, Critiques of the circular economy, *Journal of Industrial Ecology* (2021). [DOI: 10.1111/jiec.13187](#)

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