

Circular Economy

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Why is it in the news?

- NITI Aayog CEO Amitabh Kant recently commented- Circular economy can generate 1.4 crore jobs in 5-7 years.

What is a circular economy?

- It is an economic system aimed at eliminating waste; and the continual use of resources.
 - It is a system of resources utilization where reduction, reuse and recycling of elements prevail.
 - Circular systems promote reuse, sharing, repair, refurbishment, remanufacturing and recycling to create a closed system, minimizing the use of resource input and the creation of waste, pollution and emissions.
 - It is an alternative to a traditional linear economy. This linear economy is modeled on take-make-waste industrial model (make, use, dispose). Resources are extracted and transformed into goods and services, sold and used, after which they are finally discarded as waste.
 - Value is created in this economic system by producing and selling as many products as possible.
 - **Sustainable Development Goal 12** → responsible consumption and production → requires changing the linear production model and shifting towards circular economy
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- The circular economy follows the principle of preservation and enhancement of natural capital by controlling finite stocks and balancing renewable resource flows.
 - It also suggests optimizing resource yields by circulating products, components, and materials at their highest utility at all times, in both technical and

biological cycles.

- The circular economy has the potential to increase productivity and create jobs, whilst reducing carbon emissions and preserving valuable raw materials.
- The challenge lies in building circular economy knowledge and capacity.