

How can Europe and its industry transition to a more circular and sustainable society?

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Mattias Lindahl from Linköping University and Carl Dalhammar from Lund University explore how Europe and its industry can transition to a more circular and sustainable society

Society today focuses on doing things more efficiently. However, the starting point should instead always be what is the right (effective) thing to do – and to do that efficiently.

Related to this, an industrial transition is necessary to shift to a more circular and sustainable society. The current situation results from past ideas on effective markets, legal concepts and cultures, business models, and thoughts on ownership and consumer culture.

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Transition to a more circular and sustainable society

A transition is necessary to reach environmental and climate objectives, realise the vision of a circular economy, and simultaneously enable and accomplish a reindustrialisation of Europe. This transition will require several preconditions, including a well- designed regulatory framework, the right economic incentives, the development of circular business models, improved product design, and new developments in standardisation.

As a contributor to this transition, since 1995, the €18 million Mistra REES research program has, in deep collaboration between leading academic environments, industrial companies and societal actors, contributed with practical knowledge about how to create more resource-efficient and effective solutions (REES) to achieve a circular economy.

In one of our reports, we highlight the need to connect the business and policy developments related to the circular economy to other sustainability fields, e.g., climate change, resource depletion, and chemicals, and to place it within the broader context of sustainable consumption.

A circular economy is not only about taking care of our resources; we must also ensure that all humans have access to the resources they need to live a decent life.

Other key messages in that report include:

- Our language is a means for change. We must consider the terms we use and how they affect our thinking and actions.
- Nothing is 100% circular, even in a circular economy.

We must change current perceptions of consumption and ownership, develop a standardised nomenclature and common concepts in legal frameworks, and support circular business models through laws and public procurement.

Industrial transformation to a circular economy

In the Mistra REES program, several critical issues for an industrial transformation to a circular economy have been researched, including how we can design a taxation framework that supports circularity, how we can prolong the lifetime of products, how the product characteristics should guide companies' choice of strategies for becoming more circular, what kind of governmental interventions could support companies with a circular business model, the interactions between business models and governmental policy, how policy interventions can mitigate the destruction of unsold goods, and the environmental effects of the business model "battery as a service"

The EU, its countries, and its world-leading companies have and can play an important role in this transition.

Towards the circular economy with ISO

To support the transition, ISO started a standardisation process several years ago related to the circular economy within a new technical committee (TC323), with the first standards expected to be published in early 2024.

These standards will be helpful for organisations' transitions, e.g., by providing an increased understanding of core concepts such as the principles of building a circular economy (e.g., related to Systems Thinking, Value Creation, Value Sharing, Resource Availability, Resource Traceability, and Ecosystem Resilience) and how to design and measure new, more circular solutions. A general principle in this standard focuses on value creation with fewer resources and for more.

Circular economy – An economic system that uses a systemic approach to maintain a circular flow of resources by recovering, retaining or adding to their value, while contributing to sustainable development. ⁽²⁾

Since before the ISO work started, actors from Mistra REES have been heavily involved in this work. The reason is that the standards are used by organisations worldwide, and it is a potent tool if you want to build in knowledge and spread it globally. It is a prerequisite for success in the transition because companies and organisations depend on joint solutions to use resources as efficiently as possible.

The EU is well known for the “Brussels Effect”, where other countries – and industries outside the EU – adopt similar laws and standards as the EU. Standardisation has a vital role to play in these processes.

The EU should more actively use standardisation and contribute to it, e.g., by supporting companies’ and researchers’ participation. This would help significantly increase the EU’s transition and that of the rest of the world towards a more circular and sustainable society.

The European circular economy

A significant step forward concerning this is that Sweden will lead a European standardisation committee for the circular economy. The European standardisation organisation CEN member countries have decided to give Sweden the task, and the formal work will start in the fall of 2023.

The work, coordinated by the Swedish Institute for Standards, involves gathering European expertise in the circular economy to jointly produce standards for, among other things, common terminology and methods on which all countries can agree.

Mattias Lindahl, the Program Director of Mistra REES, states that they will continue to do their best to transfer knowledge and encourage the EU to fund similar programs like Mistra REES, given this type of bottom-up program’s high impact.

Based on the above and the urgency, the relevant question is, what can we do today to prepare for tomorrow? A first and essential cornerstone for gaining knowledge on the abovementioned issues will occur in Brussels from 12th-13th October 2023, when Mistra REES and partners will chair interactive workshops devoted to this transition.

You can listen to industries and other experts discussing policies, standards, and business model developments and contribute to the discussion. All sessions are recorded and available later online from the [Mistra REES webpage](#) – however, interaction is always the key!

References

1. <https://drucker.institute/did-peter-drucker-say-that/>
2. Source: ISO/DIS 59004:—, 3.1.1 (www.iso.org/obp/)

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