

Project Group (Number and Name): 50 Circular entrepreneurs for a circular society

Comment

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Comment:

If we look at how the economy in our western society is structured, it isn't hard to realize that the major goal follows the capitalistic principle, which means that the higher the financial profit, the healthier and wealthier a company is. However, this often is accompanied by neglect of society and human wellbeing as well as the destruction and exploitation of the environment. It's a system based on beliefs of an infinite amount of resources and supply, a view that ignores the limits of the planet earth. Or to say it with the words of Sir David Attenborough, a british writer and movie producer: 'Anyone who believes in indefinite growth on a physically finite planet is either mad, or an economist'. Being aware of this, we need to redesign the economy into a sustainable one that reuses resources and material on and on and economizes in a sense of a circle. These so-called circular economies, mostly represented by start-ups and small innovative companies, face multiple challenges. Since there are various aspects of the circular economy, we will be putting our focus on two main aspects which are the financial challenges and supply chain.

Firstly, when we take a look at financial challenges it includes both the producers and the consumers. Producers might be forced to make risky and expensive investments in order to make their businesses circular, which in turn usually means that the final product on the market is going to be more expensive and therefore less accessible to the consumers.

Such a scenario is first of all a problem for the average consumer, who cannot afford to buy socially sustainable products and finds it then impossible to lead a socially sustainable life. Putting on the market a product that can only be purchased by an elite of wealthy people is however a problem for the producers too: a business needs to sell in order to not fail. A business cannot become a socially sustainable one if this means not selling enough products to keep the business open.

The next big challenge that circular business models have to face is the management of the supply chain. To make circular products, the businesses are dependent on recycled products or used raw materials. Some of these products and materials have to be separated or "rebooted" to be reused which needs energy and investments. For example, phones have a lot of little components made of different metals. To extract these metals from the phone is difficult and costly. So this means we are left with two options: either we invest some money to remove this difficult parts or we produce brand new phones. This could lead to issues

with the production costs considering the fact that there is a high demand, which means we can't supply enough of the required product to the specific target group. This can lead to dissatisfaction thereby causing the consumers to shift their priorities of having a sustainable life and causing the company to go into insolvency.

In other words, the circular economy needs to prioritize both the sustainable business models and the consumers regardless of their income so that we can thrive in both sectors and make our goal of a sustainable future a more realistic one.