

# CLIMATE CHANGE

IN

## Circular Economy Holds the Key to the Future

**A**s anyone who has ever driven across the country will tell you, if you drive along the Trans-Canada Highway long enough you'll run out of pavement.

As any environmentalist will tell you, if we continue using a linear economy — one in which products are made, used, and discarded — we will run out of resources. We're harvesting too many resources too quickly.

For that reason, environmentalists are encouraging people worldwide to adopt a circular economy, where goods at the end of their life cycle are recreated or turned into entirely new products. This economy prevents us from consuming the planet's resources faster than they can be replenished.

### Finland, a leader in sustainability

Scott Vaughan is an advocate for the transition to a circular economy. He's the President and CEO of the International Institute for Sustainable Development (IISD), which was established in Canada in 1990 and now has offices in Switzerland and the U.S. as well. IISD conducts research and engages citizens, businesses, and policy-makers in the shared goal of developing sustainably. Vaughan points to Finland as a role model that other countries can look to.

"Finland is positioning itself as a global leader in circular economy innovation," he says. "It's the first country ever to set out a circular economy roadmap that advances low-carbon innovation and inclusive jobs."

That roadmap was created a few years ago by a Finnish think tank that focuses on the research and implementation of sustainability initiatives. In 2016 the organization, Sitra, and the Finnish government co-launched a national action program to put the ideas into practice. The plan focuses on food sustainability, forestry, transportation and construction, and machinery.

To establish a successful carbon-neutral circular economy within 10 years, the program outlines several projects, including investment in the use of biogas for transportation, a research project on new cellulose-based materials, and a project to improve the efficiency of mobile phone and tablet recycling, among others.

The goal is to ensure that in the future, profit comes from providing services and intelligence-based digital solutions, as opposed to merely producing products for consumption.

Since the action plan was launched, Sitra has made a list of one hundred inspiring circular economy examples. It includes one company, Valtavalo, that offers sustainable lighting services, and a start-up that provides reusable packaging for digital retailers. "The program has been very successful because various stakeholders, especially municipalities and companies, are thinking about the circular economy when working on business strategies and models," says Mari Pantsar, Director of Sitra's carbon-neutral and circular economy work stream.

She and other members of the company recently spent time travelling around Canada to meet with various individuals, government officials, and organizations interested in sustainability.

Vaughan notes the many similarities between Finland and Canada, including the fact that both are northern countries with a vast amount of natural resources. He would like Canada to follow that country's environmental lead. Canadians are already moving in the right direction. Aveda, Levi Strauss, and other companies are cutting their emissions and water consumption while making use of materials that in the past would have been sent to the landfill. In Ontario, the city of Waterloo has been testing a program that turns dog waste into energy, heat, and fertilizers — and a number of municipalities are following suit.

Vaughan would like to see all these separate initiatives brought together under a comprehensive federal plan — Canada's own roadmap toward a circular economy. "Circular economy offers a systemic approach, pulling together different priorities — from low-carbon pathways and freshwater stewardship to innovation, enhanced productivity, competitiveness, and green jobs — in a more unified way," he says.

In addition to being good for the environment, taking this step would be good for business. Vaughan notes that a "green economy" has potential to lead economic growth, because it would create new markets such as biofuels and renewable energy. A green economy could also be good for trade. China, a rising economic superpower, is placing greater emphasis on low-carbon and circular economy approaches.

The biggest incentive of all, of course, is to ensure the planet is habitable for future generations. The linear economy that has been in place for decades is destined to fail because it will reach a point at which there are no more resources available.

"A transition towards the circular economy is inevitable as we are already exceeding the planetary boundaries and overusing natural resources," says Pantsar. "The circular economy is much more than waste management or recycling. It is a new economic paradigm."

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