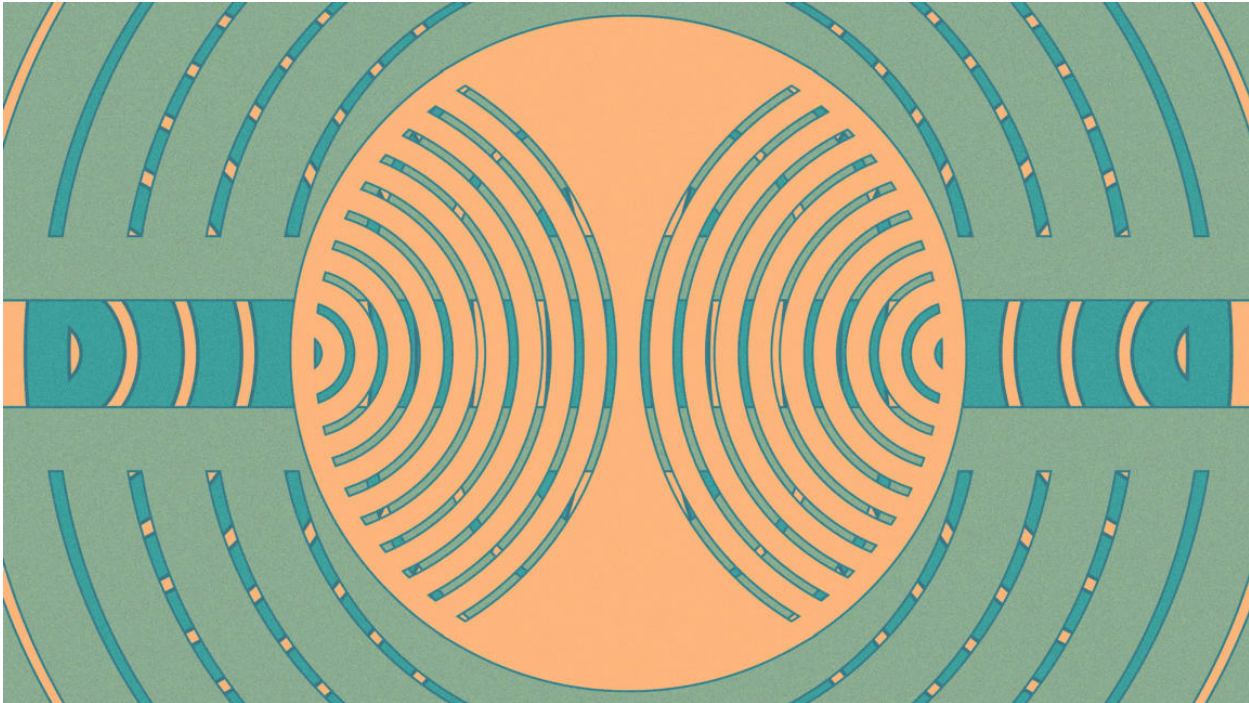


The circular economy could create an enormous jobs boom

Building a whole new economy will employ a lot of workers.



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By Anne van Riel 05.03.19 3 minute Read

Often the Trump Administration's concern to create jobs has taken priority over, and been in conflict with, other important issues such as sustainability and the need to tackle climate change. However, the rise of circular economy business models represents an opportunity for the Administration's jobs agenda and the business community's concerns about sustainability to align. The circular economy could be a driving force for the creation of local jobs as well as better environmental stewardship.

Circular models and local jobs

A growing number of companies, including some of the world's largest corporations such as Apple, Walmart, P&G and DowDuPont, have adopted circular economy commitments that could have

profound impacts on the way they and their suppliers work.

There has been much focus on the environmental benefits of the circular economy: how it could minimize the extraction and use of virgin materials, reduce waste and pollution, cut costs and mitigate supply chain risk, among others. However, less attention has been paid to how the circular economy can boost local communities and local jobs, both through its potential to create new markets and products and its emphasis on creating local material loops and shortening supply chains.

The scale of economic opportunity represented by a shift to circular is vast. The International Resource Panel, part of the UN's Environment Programme, says that using resources more effectively could increase the size of the global economy by \$2 trillion by 2050, [about the same as the GDP of Italy](#). And the

consultancy Circle Economy points out that the global economy reuses just [9% of the 84 billion tons of material that are consumed every year](#).

At a local level, switching to a circular economy, from a linear “take, make, waste” model of production and consumption would involve much more recycling, repair, reuse, and remanufacture of products. It would also increase the emphasis of private and public sector organizations on locally sourced materials.

This change in emphasis could create local jobs that could not be readily outsourced to lower-cost markets, given the need for skilled workers to turn old goods into new resources, to collect and process recycled materials, and to source materials locally. It could save municipalities huge amounts of money, too. New York City disposes of more than six million tons of waste per year, and its plan to reduce the amount that it sends to landfill by 90% by 2030 would [save the city an estimated \\$310 million per year](#).

For a number of sectors, there are real benefits on offer. In food and agriculture, circular-related initiatives such as vertical farming, local sourcing of produce, and the adoption of local food procurement policies—which is happening in cities such as Baltimore, Seattle, New York and Los Angeles—will all help to shorten supply chains between farmers and retailers/consumers while creating jobs locally.

Meanwhile, a new wave of manufacturing jobs that focus on turning recycled materials into higher-value products are emerging. Businesses such as EcoStrate, FABSCRAP, and Fixup, to name just a few, are focusing on collecting used materials from local communities and then putting them back into production to create high-quality products.

This creates skilled jobs in local workshops and manufacturing plants, as well as enabling these businesses to gain access to materials at lower cost, which can improve operating margins. The new wave of jobs could also include product refurbishment or parts recovery.

Quantifying potential impact

A number of studies back up the idea that the circular economy can boost jobs—most of the research to date has emerged from Europe, where the circular economy is more entrenched than anywhere else. A report from McKinsey has suggested that [adopting circular economy principles could generate a net economic benefit of €1.8 trillion for Europe by 2030](#). Meanwhile, the International Labour Organization projects the net creation of [18 million green jobs by 2030](#), including 4 million in manufacturing and 9 million in renewables and construction, all areas that will be boosted by a shift to circular thinking.

It is important to remember that just as we saw in the industrial revolution, the shift to a circular economy will see job losses in certain sectors, too. However, new jobs are likely to be created in industries such as agriculture, renewable energy, construction, and manufacturing that should deliver net gains.

The circular economy presents an opportunity to weave together initiatives on innovation, productivity, and job creation with environmental and climate objectives. But the right policies will be needed to ensure workers are able to retrain and move into new industries and be part of the circular economy growth story.

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