

# Humans and Circular Economy

How integrating a Circular Economy system in a manufacturing company can affect the life of its employees, customers and the community.

## Introduction

As we know, life is very complicated, and there are a lot of different factors that can affect the quality of our lives, some obvious ones are the decisions we make as individuals, what we eat, if we exercise and if we are training our brain learning new things or letting ourselves spend hours scrolling through social media. Obviously everything previously mentioned does have a great impact in our lives, but there are also external factors that can affect our lives, the decisions made by our employers and by the big companies that can affect the environment, that's why in the last couple of decades us as consumers have been ever more interested in companies having greener practices, and as employees we expect for companies to take us more into account so we can actually enjoy work and not see it as a burden, all of these factors had led to environmental legislations put up by the government.

Due to the sudden necessity for companies to have processes that are both beneficial to the environment and that take into account their employees there have been a lot of different practices and models that aim to achieve these goals, one being the Circular Economy; Circular Economy is not a new concept, actually, it was developed throughout decades and has only been popularized recently by the Ellen Mac Arthur Foundation.

Circular Economy works based on three main principles:

- Eliminate waste and pollution: Circular Economy points out that industrial processes generate waste and pollution that directly cause harm to both the environment and the health of humans.
- Circulate products and materials: Circular Economy wants products to be designed with durability and reusability in mind in order to keep products or their components in the economy chain; Circular Economy also favors the use of bio materials that are friendly with the environment.
- Regenerate nature: We not only aim to protect what we have left, Circular Economy also wants to help regenerate nature, using renewable sources of energy instead of non-renewable ones and by investing in regenerative practices.

As we are able to appreciate, Circular Economy has laid out the groundwork for improving the relationship companies have with the environment, but the bettering of the relationship can also lead to benefits for everyone involved with the company, as we will continue to explore in more depth in the next parts of this text; even if we can obviously invest also in concrete Human Development practices that would benefit directly the people.

# The effect of Circular Economy in Employees

As most things in life, the circular economy is able to affect in both a positive and a negative way, although the effects are mostly positive.

First of all, since we are implementing a different way of working, the staff needs to adapt to the new circumstances, this can be challenging but it's usually just part of the work. Another challenge that may arise is the work that actually needs to be done: circular economy usually involves the managing of waste and the prevention of said waste contaminating the environment, in other words, workers that handle waste may be exposed to more hazardous materials that before were just gotten rid of in an irresponsible manner.

On the other hand, the Circular Economy with its needed new ways of working also creates brand new jobs and positions within a company, the European Commission reports that "The net increase in jobs will be approximately 700,000 compared to the baseline through additional labour demand from recycling plants, repair services and rebounds in consumer demand from savings generated through collaborative actions ", this may be quite surprising at a first glance but it actually makes a lot of sense: circular economy not only creates a lot of jobs for highly specialized professional, but it actually can create positions at multiple levels, as seen in the table below:

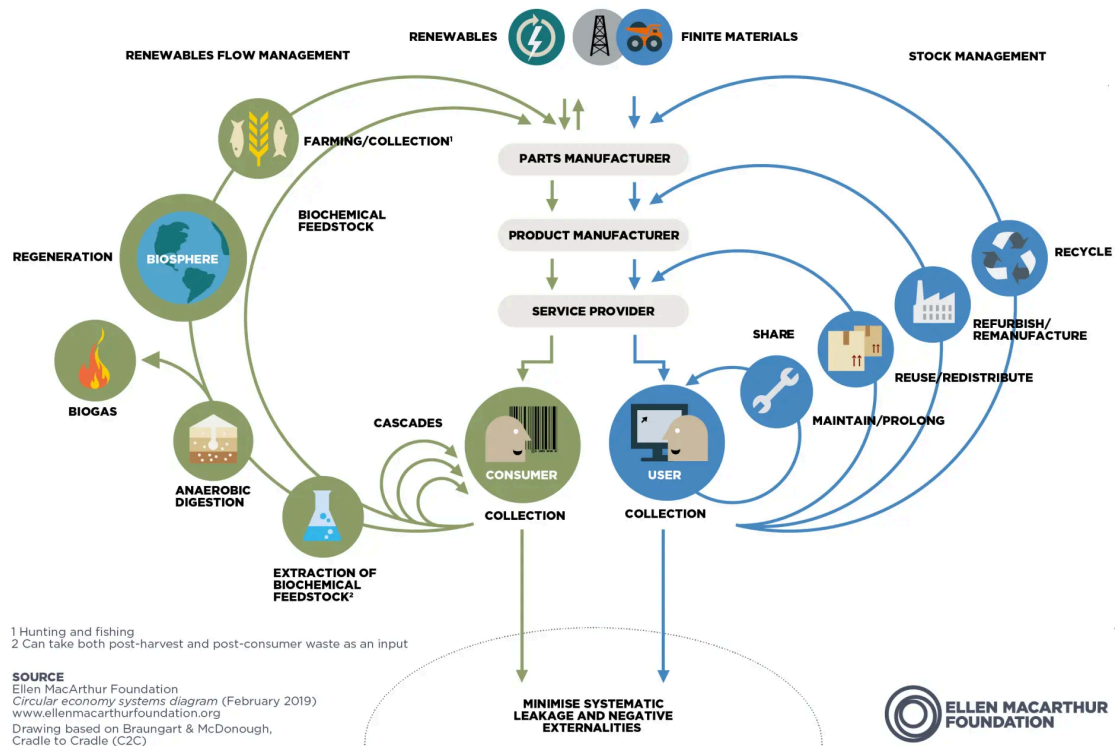
Low-skilled employees	Recycling and Reuse
Medium-skilled employees	Remanufacturing & Biorefining
High-skilled employees	Remanufacturing & Biorefining

**Table 1. Types of jobs generated by the Circular Economy model and the level of expertise needed to carry them out.**

In summary, the Circular Economy model causes a positive effect in the quantity of jobs available by increasing the positions; but it also involves some challenges, so before making these changes on the company, employers need to be aware and try to provide tools like capacitation and safety precautions.

# The effect of Circular Economy in Consumers

The Circular Economy model puts people at the center of the production model, this means that the product's designers take into consideration all of the future consumer's needs in mind throughout the whole process, this results in products of higher quality that are built to last and that make people genuinely satisfied.



Something pretty obvious we can point out first is that if a company adopts a Circular Economy model is that they can easily promote themselves as invested in keeping the environment safe and even in trying to restore it, which makes us as consumers have a positive outlook on the business and its practices, also making us more likely to consume their products when we are choosing what to buy at the supermarket.

It is important to take in mind two things, first, when a company implements the Circular Economy they usually have to increase their up-front prices, but since the product is of a higher quality and is designed to last, clients save money long term because they need to replace their products less. The other thing to keep in mind, is that consumers can also get benefits though the efforts of companies to dispose of the product once they want to get rid of it through take back programs, think of the trade-in apple service in which they take your old device and discount up to 695 dollars for a new one.

In summary, consumers view in better lenses a company that is committed with environmentally-friendly practices, but they get an even more positive view of the company when they are getting benefits like discounts and long-term savings, in other words, the Circular Economy model brings great benefits to consumers.

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