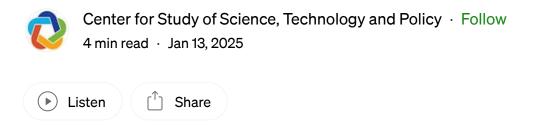


Sustainability and Its Interlinkages With Circular Economy



by Pooja Verma and Anjali Taneja.

Ninety-one per cent <u>of Indian companies</u> raised their sustainability investments in 2023, and <u>85% of businesses</u> worldwide increased their sustainability efforts. However, the Circularity Gap Report 2024 suggests that <u>over 70% of global organisations</u> are yet to implement a circular economy initiative.

With climate change, resource depletion, and waste generation reaching critical levels, sustainability and circular economy have moved from buzzwords to action points. These concepts are now at the heart of international agendas, driving transformative changes across organisations, industries, and policy discussions.

Sustainability is a multifaceted concept that balances economic growth, social equity, and environmental protection. The Brundtland report, *Our Common Future* (1987), brought prominence to sustainable development, defining sustainability as a concept that emphasises

meeting present needs without compromising the ability to meet future needs. Embracing a circular economy strengthens this balance by transitioning from a take-make-waste linear model to a restorative and regenerative framework.

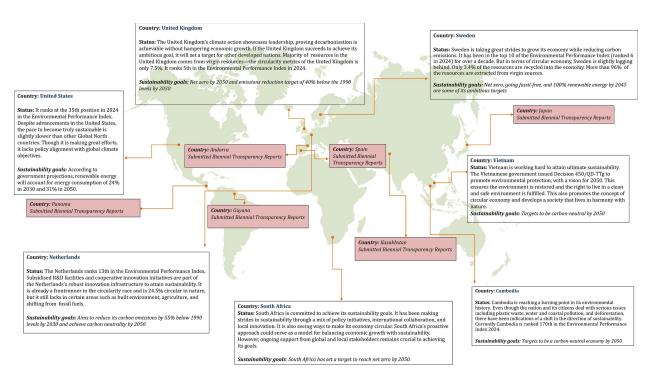
International perspective

From an international standpoint, the Global North, particularly the Nordic countries, has made significant progress in sustainability, supported by robust legalisations, firm commitments, and advanced infrastructure. The <u>European Union's Green Deal</u> exemplifies this by prioritising biodiversity conservation and setting an ambitious target of net-zero emissions by 2050. While these regions have made significant strides in transitioning to a circular economy, they continue to face challenges in balancing sustainable consumption with economic growth, which exacerbates resource depletion.

In contrast, the Global South is focusing on renewable energy projects, green finance mechanisms, inclusive community initiatives, and public–private partnerships to drive sustainability efforts. However, meeting targets for biodiversity conservation and resource efficiency remains a persistent challenge.

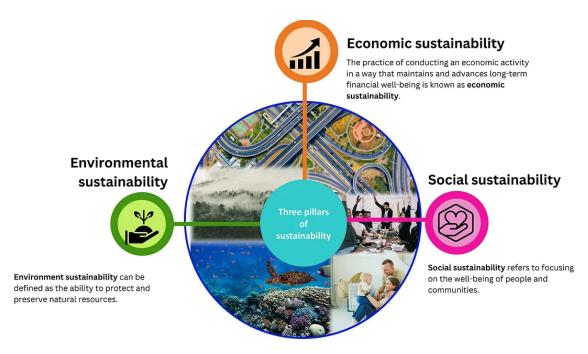
The infographic highlights some of the contributions and efforts of economies in both the Global North and Global South towards advancing sustainability and a circular economy.

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Map showing the Global North and Global South countries actively contributing towards sustainability and circular economy

The Global North prioritises the <u>economic and environmental pillars</u> of sustainability, focusing on sustaining growth while transitioning to low-carbon technologies and optimising resource efficiency — an approach supported by its well-established economies. On the other hand, the Global South, grappling with poverty and inequality, <u>focuses on the social pillar</u> of sustainability along with the environmental pillar, striving to improve livelihoods, education, healthcare, and resilience to climate impacts.



The three pillars of sustainability

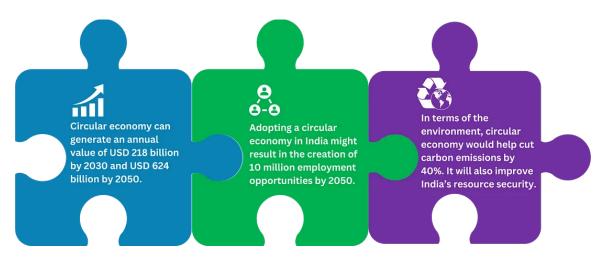
This raises an important question: Why does the Global South, including India, approach sustainability differently? The answer lies in its unique socio-economic and environmental challenges. For India, these realities shape its sustainability priorities, making the focus on balancing environmental preservation, social equity, and economic growth a necessity rather than a choice.

Sustainability in the Indian context

Sustainability in India encompasses a comprehensive approach that balances economic advancement, social welfare, and environmental protection while navigating unique challenges such as population growth, rapid urbanisation, and, most importantly, the take-make-waste linear model of consumption leading to resource scarcity. The linear model threatens future development, causing severe natural resource shortages (particularly raw materials and water), environmental degradation, and increased waste generation. While India is making

progress in the area of circularity, there is still significant potential for improvement, as the country's <u>recycling capacity currently remains</u> <u>below 20%</u>.

Therefore, rethinking resource use is vital to address pressing issues like biodiversity loss, land degradation, water stress, and climate extremes. Adopting a circular economy offers a path forward, shifting from a linear model to a restorative framework. This approach reduces waste, boosts efficiency, protects ecosystems, and generates jobs.



Benefits of a circular economy with respect to the three pillars of sustainability

India is at an early stage of establishing a circular economy, but progress is evident through various government-led initiatives. Efforts such as LiFE, Swachh Bharat, Extended Producer Responsibility Framework, National Resource Efficiency Policy, updated waste management rules, circular economy cell at NITI Aayog, and the MSE Scheme for Promotion and Investment in Circular Economy (MSE SPICE scheme) showcase a growing commitment to circular practices.

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Key learnings for India from global sustainability efforts

Capacity building: A key takeaway for India from global sustainability efforts is the importance of fostering green skills. By integrating sustainability principles into educational curricula and offering specialised courses, India can prepare its workforce for emerging green jobs.

Corporate social responsibility (CSR): Leveraging CSR funds strategically for sustainability initiatives is essential, particularly in emerging economies like India. Aligning CSR investment with global goals such as the SDGs can create significant environmental, social, and economic benefits. By addressing local community challenges through well-planned CSR projects, businesses can drive meaningful, long-term change and support India's sustainable development agenda.

Building strong partnerships: Establishing robust channels for collaboration and knowledge-sharing among stakeholders across sectors facilitates discussions and unlocks cross-sectoral opportunities, fostering innovation, research, policy development, and capacity building to drive

Way forward

Sustainability and circular economy are intrinsically intertwined, with the latter serving as a framework to achieve sustainability goals. Together, they can drive a systemic shift towards responsible production and consumption in India. Achieving sustainability through a circular economy requires collective efforts and calls for collaboration between governments, businesses, academic institutions, and civil society organisations to work in tandem for policy alignment, innovation, and investments. addressing India's climate and resource challenges.

Therefore, it is essential to recognise sustainability and circular economy as means to achieve multifaceted economic, social, and ecological benefits. However, systemic change cannot occur without a shift in people's behaviour and practices. The famous author and advisor John Elkington rightly said that behavioural change is more important than individual product choices. Changing habits and shifting mindsets can drive profound progress in sustainability, far beyond the impact of merely choosing eco-friendly products.

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