



## JOIN THE CIRCULAR ECONOMY CELEBRATION!

This policy recommendation is an invitation for *you* to accelerate Finland's transition toward circular economy. There is a need for a rapid shift from a linear economy toward a sustainable circular economy in order to fulfil the goals of Carbon-neutral Finland 2035<sup>1</sup> and the European Union's Green Deal<sup>2</sup>, and thus, enable an ecologically sustainable tomorrow. The time for outsourcing the responsibility for a sustainable future has run out. We need to act urgently.<sup>3</sup>

Participating in a major societal change calls for agency.<sup>4</sup> Agency<sup>5</sup> refers to individuals and organisations undertaking intentional and proactive action toward a goal. As individuals, we act as consumers, citizens and employees. Organizations including government, municipalities and businesses affect societal structures and the economy. Circular economy agency means that individuals and organizations, throughout society, engage actively in the transition toward circular economy.<sup>6</sup>

In the *CICAT2025 Circular Economy Catalysts: From Innovation to Business Ecosystems* research project, we carried out an integrative interdisciplinary literature review of sustainability agency. Furthermore, in 2019-2020, we conducted an interview-based study with 49 managers

from pioneering companies engaged in circular economy and with 19 specialists representing ministries, towns, central associations, as well as research, development and support organisations. Based on this research, we propose the following policy recommendations for decision-makers to accelerate agency toward circular economy:

1. **Support for the public and private sectors in transitioning toward circular economy**
2. **Establishing an accelerator-organization to speed up the transition toward circular transition**
3. **Normalising a circular economy-based lifestyle**
4. **Lifelong learning as regards active sustainability agency**
5. **Providing a helpline for anyone seeking solutions for the circular economy**
6. **Communicating the circular economy in an invigorating way**

## Change leadership accelerates the transition!

Large-scale societal change can be implemented in two ways. In the classic approach, change is planned and implemented by top management. As regards circular economy, the Waste Act and the recycling requirement in the construction industry are examples of such top-down, planned change. An alternative approach relates to bottom-up emergent change in society via the activeness of citizens, consumers, employees, scaled toward communities and movements. A recent example is the youth's global climate movement to raise the political decision-makers' awareness of the climate crisis.

In a society that seeks to be a pioneer in circular economy, a combination of these two approaches to

change management is needed.<sup>7</sup> The transition toward circular economy<sup>8</sup> represents a long-term systemic change in societal structures, practices, cultures and attitudes, affecting the entire society.<sup>9</sup> This calls for change leadership that simultaneously provides centralised decisions enabling circular economy, while also strengthening the sustainability agency of individuals. A recent example is provided in Finland's adaptation to the coronavirus pandemic.

We can no longer wait for an individual instance, be it a ministry, city, company or a group of citizens to lead the transformation toward a sustainable tomorrow. The agency of every individual and organisation is needed.

## Organisations as active circular economy actors

The agency of public organisations, associations and businesses creates the conditions for the transition toward circular economy bearing long-term impacts on the direction and pace of the resulting systemic change:<sup>10</sup>

1. **International organisations** promote cooperation to fulfil the goals of sustainable development. Examples include the United Nations and the European Union.
2. **Political decision-makers** in the Government and Parliament, as well as decision-makers and officials in ministries and national agencies, develop national strategies, legislation and taxation to reach national circular economy goals.<sup>11</sup>
3. **Municipal decision-makers** use circular economy roadmaps to define local strategies and action plans for housing, construction, education, social services and healthcare.

4. **Businesses, associations and volunteer organisations** define strategic guidelines for a sustainable circular economy in relation to their operations, business models, earning logic and partners.<sup>12</sup> These have an impact on their customers, supply chains, networks and ecosystem partners. Employers can make decisions supportive of circular economy through their procurement strategies, investments and long-term budgets.

However, not many organisations are pioneers in circular economy. Therefore, more active organisational agency is required. One can assess the circular maturity of one's organisation by asking how circular economy is reflected in its strategy, operations, partnerships, customer relationships and daily workplace practices. How consistently is your organisation accelerating the transition toward circular economy?

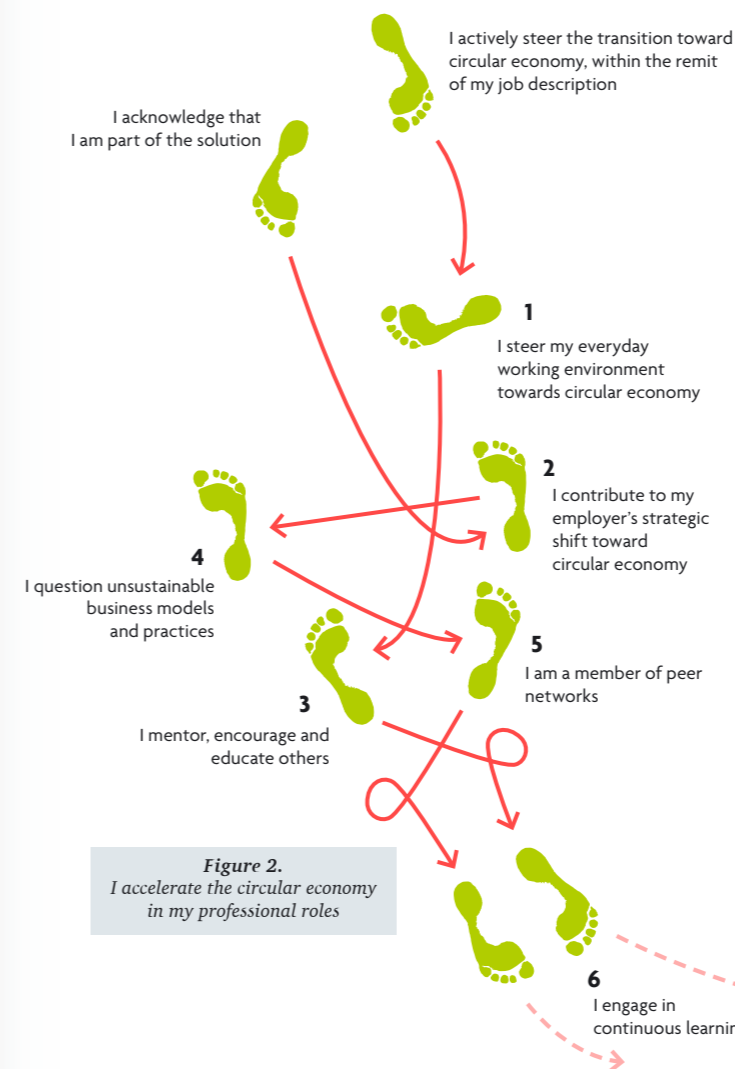
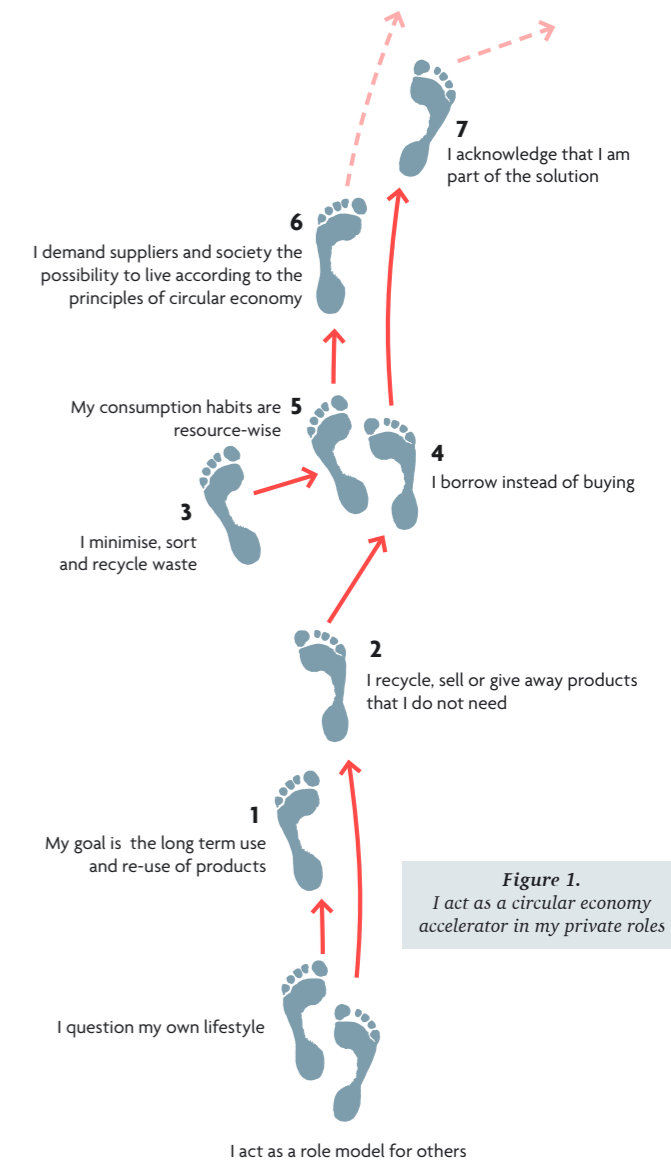
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## Individuals as active circular economy actors

As individuals, we influence the transition toward circular economy simultaneously in different roles, be it as residents, consumers, professionals, citizens, and through our recreational activities. As organisations and societies consist of individuals, different levels of circular economy agency are therefore interlinked. In this way, we affect the transition toward circular economy in our private and professional roles.<sup>13</sup> A systemic change means that changes are simultaneous and closely interlinked at individual, organisational and societal levels. Our daily habits and routines bear an effect on the transition toward circular economy at the societal level, and vice versa. The choices we make every day at home and at work have the following impact on circular economy transitions:

1. **As private individuals, we influence the pace of the transition toward circular economy via our daily choices.**<sup>14</sup> Our everyday lives consist of consumption decisions concerning housing, eating, commuting, travel, education, health, wellbeing, recreation, leisure, entertainment, clothing, information and societal impact. These acts either support or hinder a circular economy-based future (Figure 1):



2. **In our professional roles, we influence the pace of the transition toward circular economy via our activeness and initiative.** At work, we can contribute to our employer's shift towards a circular economy-based strategy, operating model and operations, regardless of our professional roles.<sup>15</sup> What is essential is to seek opportunities for resource-wise consumption, recycling, the reuse of material and resources, as well as service-based business models (Figure 2):

However, not many of us have these two roles aligned with circular economy, let alone with each other. Going forward, we need considerably more individual-level agency toward circular economy. What is *your* role? Are you ready to take the next step?

# Policy recommendations for participants in the circular economy celebration

Finland is an internationally recognized and respected welfare state. As a circular economy pioneer, its example will be followed by other countries. However, in order to achieve the objectives set for circular economy, there is need for agency. We propose the following recommendations for decision-makers in the Government, municipalities, central organisations, companies and the third sector:

## 1. Support for the public and private sectors in transitioning toward circular economy

Legislation and public authorities must enable circular economy-based business. Taxation must encourage employers to transition toward circular economy. We need new jobs for circular economy-based operations. Employers must aim to be international circular economy pioneers. Governmental recommendations are required to define how employers can operate according to circular economy. Financiers and investors must support the acceleration toward circular economy. Circular-economy based business calls for systemic thinking and responsible leadership.

## 2. Establishing an accelerator organisation to speed up the transition

To accelerate the transition toward circular economy, there is need for an organisation that enables the networking and cross-fertilization of expertise in circular economy, operating with an engaging, open and visionary attitude.

## 3. Normalising a circular economy-based lifestyle

Ministries need to issue recommendations as regards how individuals align their living, consumption and recycling decisions with the principles of circular economy. Municipalities and towns must encourage households to join the transition toward circular economy. We need legislative steering to make a lifestyle based on the principles of circular economy natural and uncomplicated. Tax-based incentives are needed to make circular economy-based choices affordable. In this way, such a lifestyle will become the new normal.

## 4. Lifelong learning as regards active sustainability agency

First and second level education must educate citizens toward a circular economy-based lifestyle and strengthen sustainability agency. Trade unions, employer associations and universities need to strengthen their professionals' circular economy and sustainability agency competences.

## 5. Providing a helpline for anyone seeking solutions for the circular economy

A circular economy helpline needs to be established to respond to professionals' information and knowledge gaps and to answer citizens' informational needs as regards circular economy.

## 6. Communicating the circular economy in an attractive way

A ministry-driven campaign on circular economy acts makes everyday and work-related solutions visible and attractive. Annual national and local awards strengthen the transition: name the most engaged circular economy actor in Finland, your region, your work or your home. Citizens and employers communicate their choices. Together, we build a positive atmosphere supporting the transition toward circular economy. This transition engages everyone.

**This is an invitation for you to join us in making Finland a pioneer in circular economy!**

Keep us posted about your achievements!

CICAT  2025

**CICAT2025 Circular Economy Catalysts: From Innovation to Business Ecosystems** aims to facilitate the transition from a linear to a circular economy and supports Finland's strategic objective of becoming a global CE leader by 2025. By combining the perspectives of technology, business, politics, legislation, arts, linguistics and stakeholder engagement, the consortium is developing new understandings of the factors that promote a circular economy. It also offers concrete solutions to businesses and decision-makers that help facilitate the transition. The project is funded by the Strategic Research Council at the Academy of Finland.

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