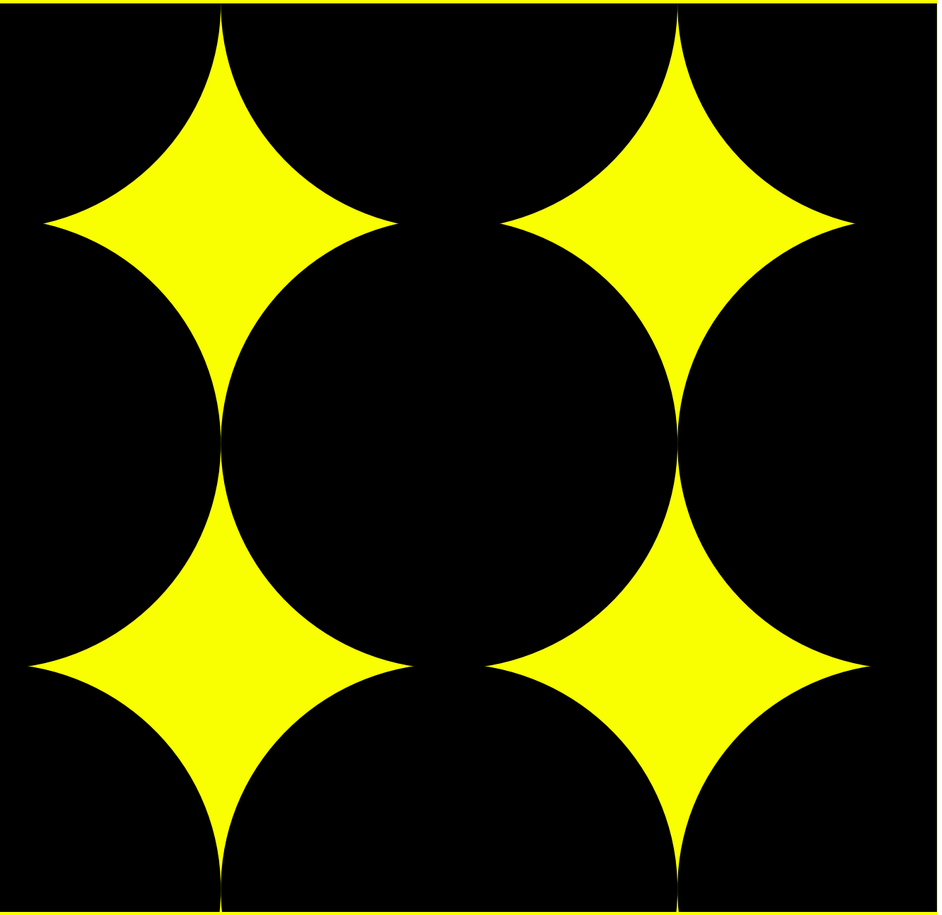
RECYCLING ≠ CIRCULAR ECONOMY

Activity-Report 2024 / 2025



Contents

Recycling is not the same as circular economy

Over the past two years, we have held a small but excellent series of online-talks with Walter Stahel on the **opportunities and risks for SMEs** in the circular economy.
These online talks were also intended as a continuation of the dialogue we began with our anniversary event in May 2023 (to read and watch (https://austriarecycling.at/ubilaeum75/).
The last two online talks of this year were given the somewhat provocative title "Recycling is not circular economy".
However, these two terms are often used synonymously in public discussion and in the "sustainability presentation" of many companies. Recycling refers to the recovery of material, including waste, as new resources that are recycled into new products, materials or substances for the original or another purpose. This includes the recycling of organic material, but not energy recovery.

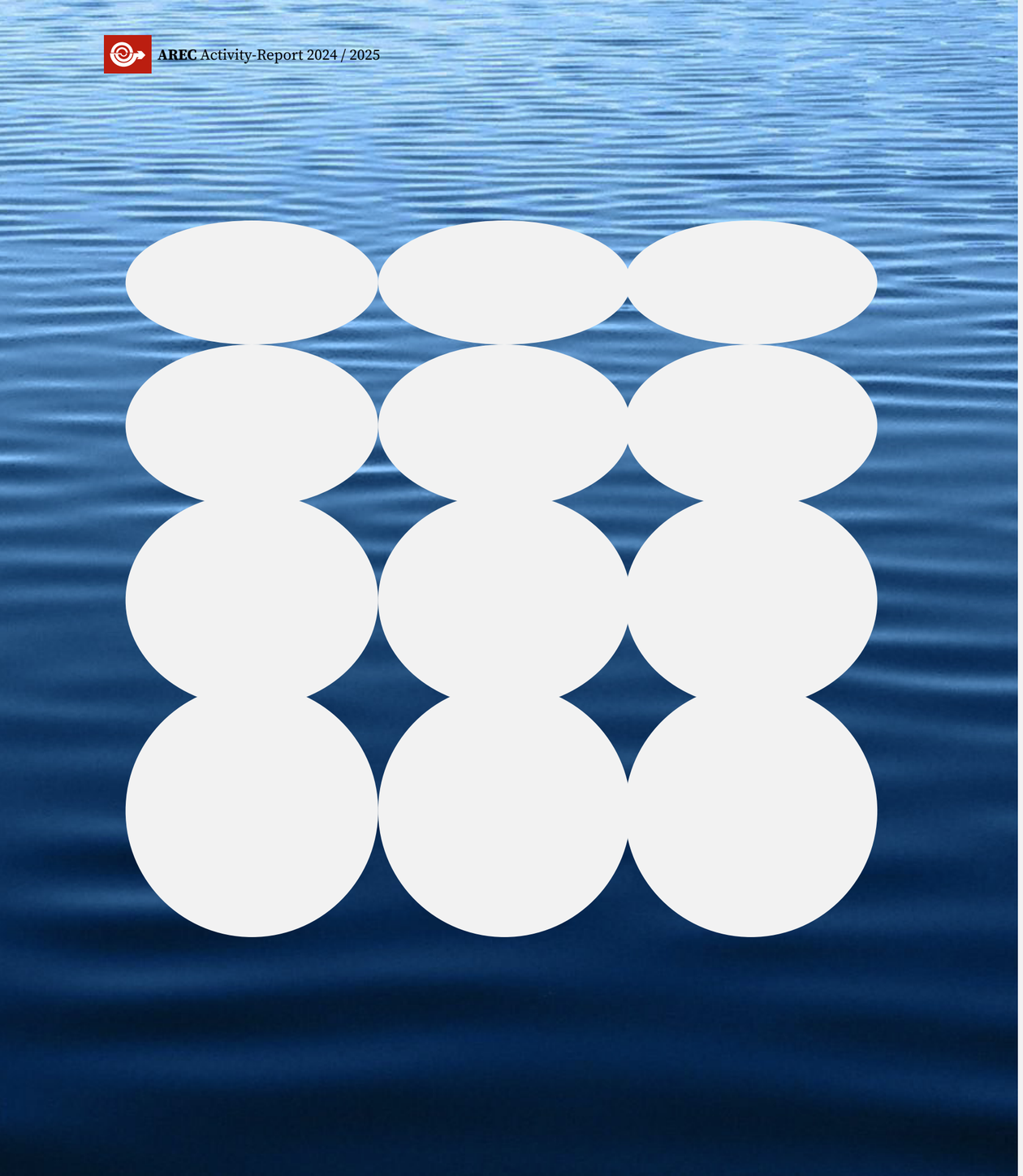
By Circular Industrial Economy (CIE), we mean (see also the article on Stahel's book) a value-preserving post-production business model that preserves

- the stocks of manufactured goods, their value and usefulness, and
- the stocks of molecules and fibres, their highest purity and value for as long as possible

A very vivid image to illustrate this somewhat unwieldy definition is the 'lake economy'. The Circular economy is created through the long-term preservation of values, stocks and capital (similar to a lake). The Linear industrial economies, on the other hand, create short-term added value and consume higher resource flows (water, energy, materials) (similar to a river).

We have illustrated this difference in the online-talks, but the 'academically correct' distinction should not be the main focus. The emphasis is on highlighting the expanded possibilities and opportunities that a consistently thought-out CIE can also open up for SMEs, how to analyse the entire business model or parts of it in terms of CIE and, if necessary, rethink it. We show numerous examples of this in the online-talks. We also highlight the advantages that circular business models can offer in the current and future legal landscape.

We see our task as helping organisations/companies in finding this clarity and developing possible options for their own companies. This will enable you to become a player in the Circular Industrial Economy.



Recycling is not the same as circular economy

To this end, we recommend answering the following key questions:

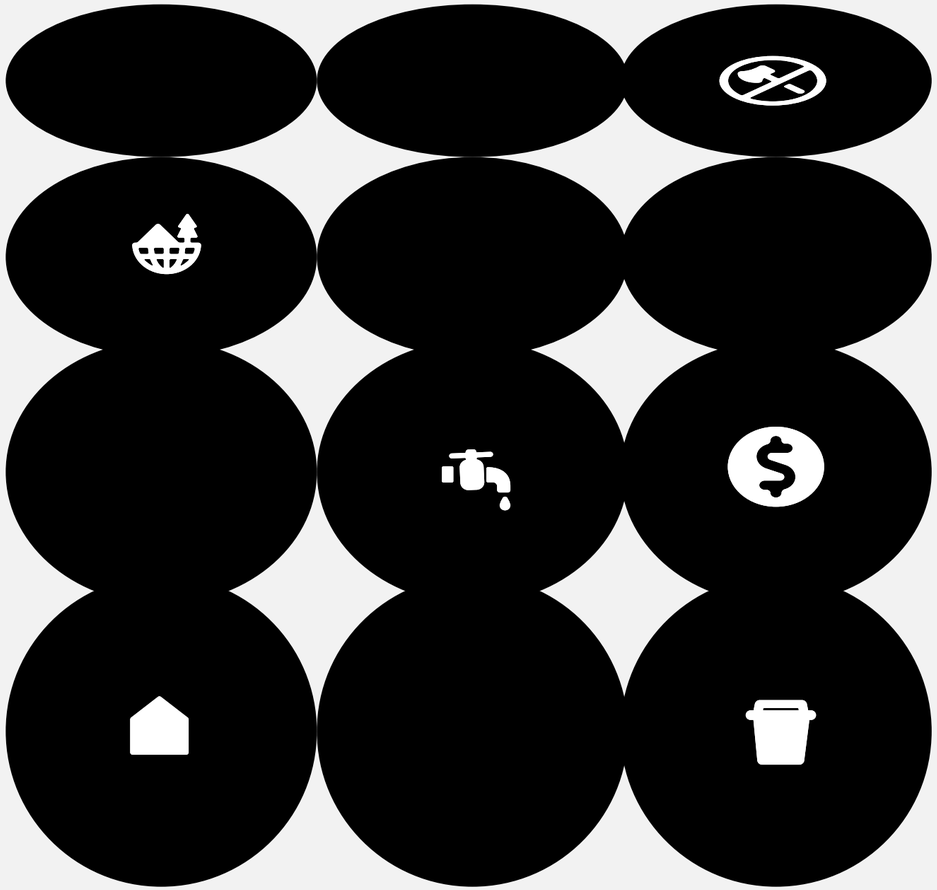
Is innovation a core theme in our strategy? Products and services based on the circular economy approach are definitely an innovation topic.

Do we want to be among the first to explore possible options, or
do we want to wait and see what others do?

If you answer yes to both questions, you could become an early adopter. The essential first step is to take the time to really examine the potential and rethink the business model (ownership, collaborations, product services, etc.). Those who do not take the time will only make progress by chance – and certainly not as the first.

You don't have to convert your entire product range immediately, but should rather see it as an extension of it. One potential option would be to refrain from selling certain products, while instead focusing on promoting their benefits. This could be achieved by offering a comprehensive package of services..

If you would like to take part in an online talk, be inspired and exchange ideas:You can always find **the latest dates here.**



Impact

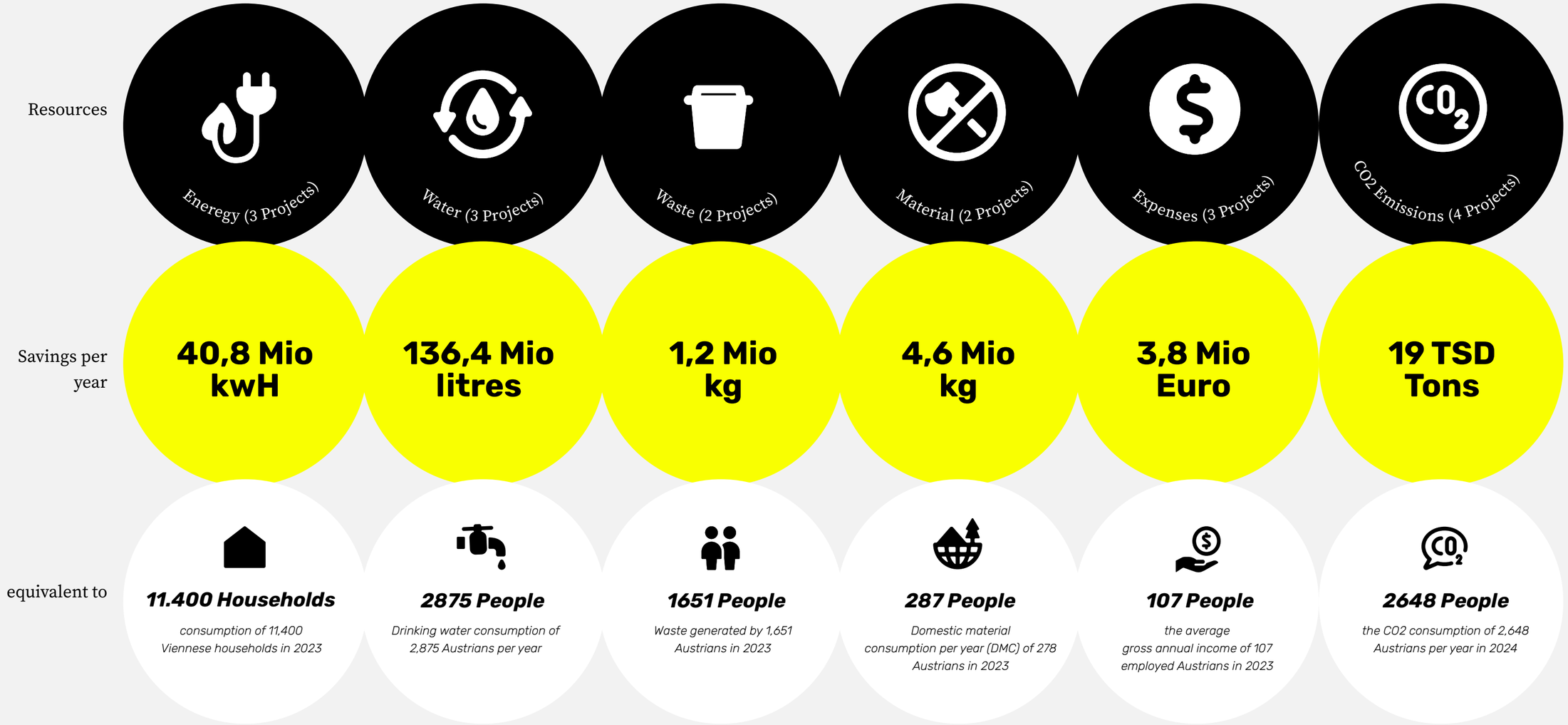
What we have achieved – thanks to your support.

Over the past 15 years, we have participated in six international projects. Each project lasted between three and four and a half years (there was also a smaller one lasting two months). The project countries were India, Nepal, Bhutan, Sri Lanka, Bangladesh, Tajikistan and Uzbekistan.

We have worked in various teams with partners from all these countries. The aim has always been to make the economies and businesses in these countries more resource-efficient and thus more sustainable, saving water, energy, materials, waste and wastewater. This has also contributed several other 'side effects': safer and healthier workplaces, a cleaner environment for the communities surrounding the businesses (e.g. less dust or noise pollution) and much more.

Here we would like to highlight the outcomes achieved by the projects. As not all projects focused on the same resources, we indicate the number of projects concerned in brackets.

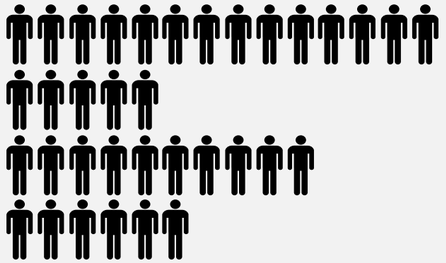
Our members have played a part in this through us!



These savings refer to **one year** in each case!

In the meantime, they have accumulated many times over. We have used Austrian consumption figures for comparison. In the project countries, these figures are much lower.

In addition, there are other impacts, other effects that all projects have achieved.



In four projects, more than 150 local consultants were trained and 800 businesses were made more resource-efficient

In three projects, ***6,500 measures*** *implemented.*

In four projects, more than 31,000 people were made aware of the issue of resource efficiency/sustainable consumption. **That is equivalent to a city the size of Bregenz!**

Company employees ***trained***

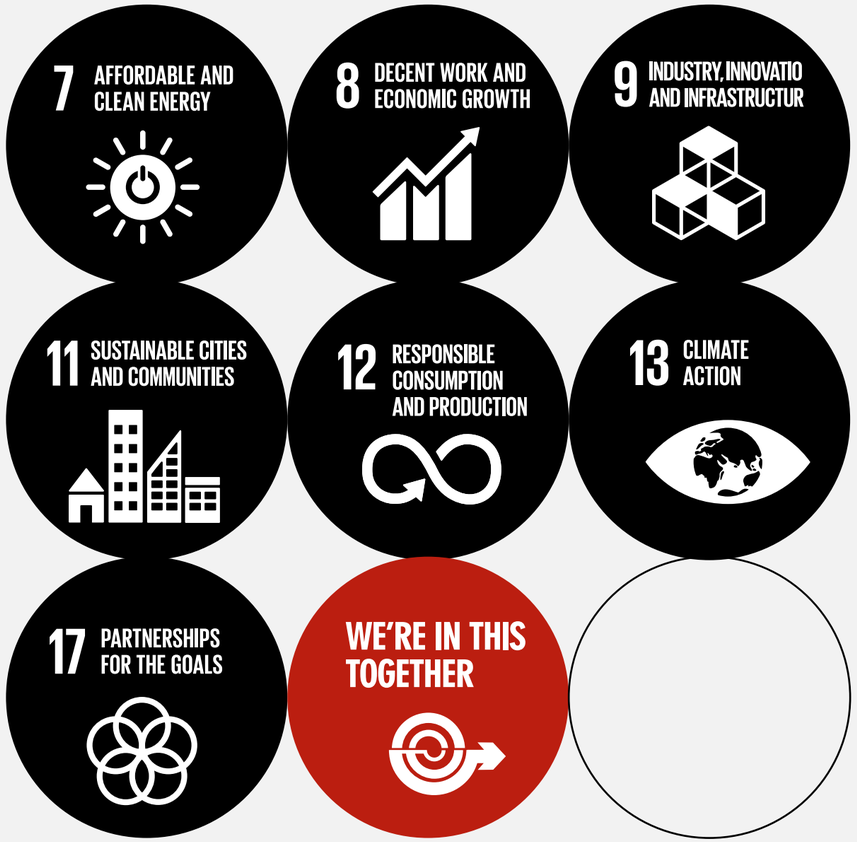
Policy proposals *developed with local politicians*

Workshops held in banks, *which then developed financial products for sustainable businesses*

Support for businesses in gaining ***access to financing for their projects***

Technical suppliers made aware *of the needs of sustainable businesses*

Trained many thousands of stakeholders from the ***business environment in sustainable production and consumption***

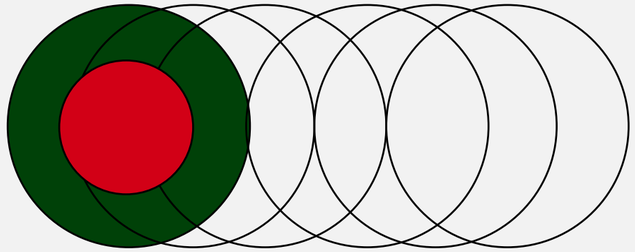


The projects contributed to the following United Nations Sustainable Development Goals:

- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action
- 17 Partnerships for the goals

Even before that, we had been involved in international projects with similar goals, **namely since 2003**, when we and our partners introduced and implemented the successful Ecoprofit concept in India and the Philippines.

Smart



Resource efficiency und CleanerProduction, Assessment and Capacity Building

Our new project **"SMART Bangladesh":** Austria Recycling won, together with the consulting firm eGen Consultants Ltd in Dhaka, Bangladesh, in a two-stage bidding process. The Palli Karma-Sahayak Foundation (PKSF) – an organisation founded in 1989 to combat poverty and promote equality and inclusion – has an invitation to submit a project proposal entitled "Resource Efficiency and Cleaner Production, Assessment and Capacity Building".

The project aims to integrate RECP practices into the operational processes of Microenterprises and to create opportunities for resource-efficient and environmentally friendly sustainable growth for these Microenterprises.

…recommend solutions for **21 sub-sectors,** provide technical support…

To date, we have carried out projects with around 400 companies – albeit in depth. Now we are dealing with almost 10 times as many companies.
Specifically, the project will evaluate resource-efficient and clean production (RECP) practices in SMEs and implement them by linking with microloans, recommend solutions for 21 sub-sectors, provide technical support and propose technology-based solutions for tracking climate-related indicators.

Good things come to those who wait (sometimes)
The bidding phase was very time-consuming, with the final bid (technical proposal) running to over 300 pages. After almost a year, this process – from which we emerged as the best bidder thanks to our expertise with the highest-rated technical proposal – was successfully finished and we can now begin implementation in November.
We are delighted to be working in Bangladesh again and to be able to contribute our expert knowledge to this project.

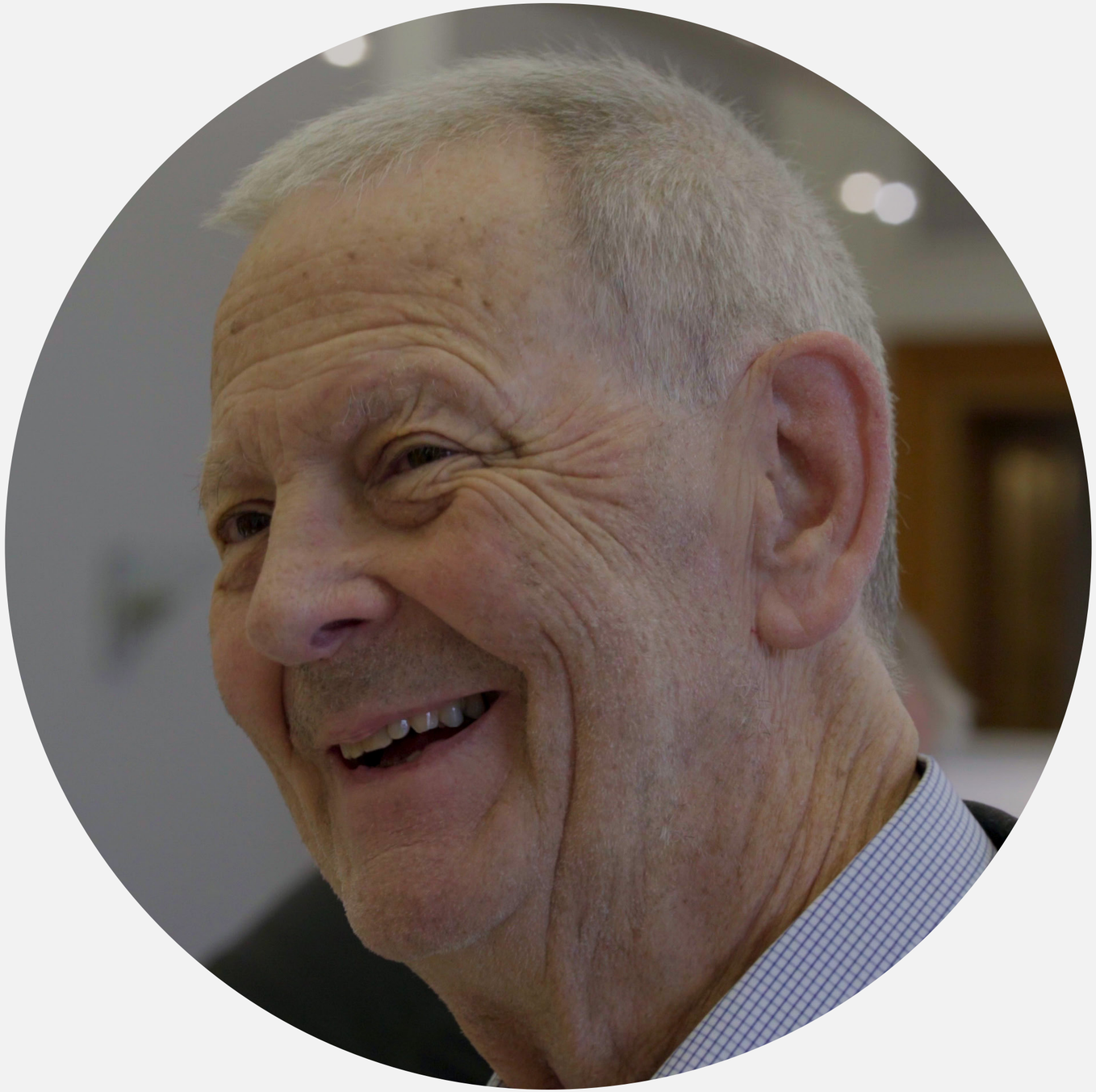
…the final bid (technical proposal) is over **300 pages** long…

News from our partners:

Dr Walter R. Stahel honoured as a "Sustainable Shaper

On 2 September 2025, over 500 decision-makers from business, science and politics gathered in the new Bernexpo exhibition hall for the fourth edition of the ***Sustainable Switzerland Forum****. The thematic focus was on the circular economy, supply chains, AI and energy management. For the first time, the forum honoured the* ***"Sustainable Shapers"*** *– individuals who are driving concrete change through their entrepreneurial, scientific or social activities and promoting sustainable development in and from Switzerland.*

Sustainable Shaper 'Knowledge & opinion'



From over 240 nominations, the jury selected 15 winners in three categories:

- *Leadership & Transformation*
- *Knowledge & Opinion*
- *Vision & Innovation*

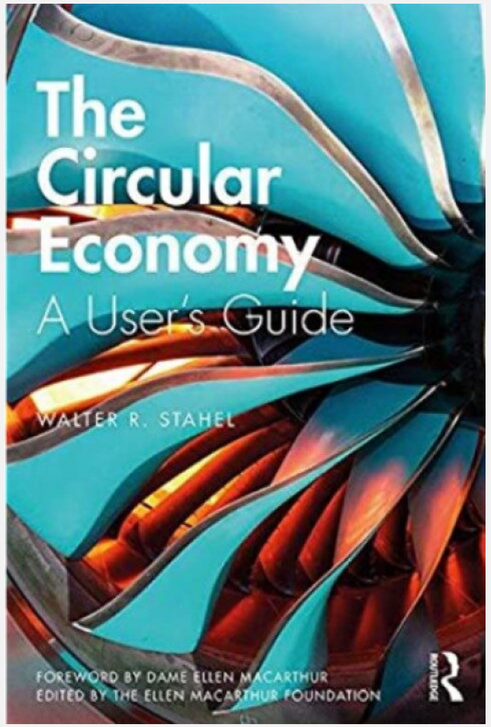
Walter Stahel was honoured as a Sustainable Shaper in the 'Knowledge & Opinion' category!

As the founder of the performance economy and doyen of the circular economy, we have been associated with him for decades. In 1996, he inspired our general meeting for the first time with a lecture entitled 'Quo Vadis Recycling?'. In 2023, he enriched our anniversary event with a great lecture and many practical examples, thrilling the participants.

Our collaboration continues with our joint online-talks, which are always a pleasure for us and an enrichment for the participants.

We congratulate you on this award and look forward to many more joint activities.

Operate sustainably	Operate in a circular economy
Economic pillar	Goods capital, financial capital
Ecological pillar	Natural capital
Social pillar	Human capital, cultural capital



Circular economies in companies – the handbook for transformation

This article is based on a guest article by Monika Piber. It was published in the wake of the anniversary celebrations for Austria Recycling, which were organised jointly with Austria Glas Recycling 2023.
To the original article.

In 'The Circular Economy – A User's Guide', the renowned circular economy expert Walter R. Stahel summarises his theories, findings and practical experience from over 40 years in a compact handbook. The 'User's Guide' provides guidance for entrepreneurs as well as actors in politics, NGOs and civil society in the transformation from a linear to a circular economy.
The book was published in English in 2019 and in Chinese in 2023. It has been translated into over 11 languages so far, with more to follow. It is not yet available in German. Dame Ellen McArthur attests that the work "contains either something worth learning or a statement that will be taken up and shared on every page"

Circular Economy and sustainability – the vision of a caring economy

As early as 1976, Stahel and Geneviève Reday-Mulvey developed the concept of the circular economy in as opposed to the resource-wasting and waste-generating linear economy. It was a response to the Club of Rome's 1972 report **'The Limits to Growth'**. This could have been the solution to the world's hunger for resources.But at the time, the concept was denied the attention it deserved.

Another concept that claims not to reach the limits of growth is sustainable management.
Sustainable Management and circular economy share the vision of a caring, precautionary, welfare-oriented economy ('caring economy'). Economy and ecology clearly go hand in hand here. This is because waste of natural resources and the generation of waste should be recorded as a loss.

For Stahel, the concepts of sustainability and circular economy fit together naturally. Sustainability represents the world of quality (Stahel calls it 'being happy'), while the circular industrial economy represents the world of quantity (Stahel calls it 'managing capital').

Circular economy ends Inefficiencies of the linear economy

Linear economy	**Circular Industrial Economy**
Producers produce	Producers produce and retain goods in their sphere for as long as possible
Buyers keep the goods, the objects, in their inventory for as long as I serves them.	Users use goods as long as they serve them.
	Local businesses reprocess goods, bring them up to date and put them to new use – possibly as an extension of the producers. The goods are then passed on to other users. (Era 'R')
After that, waste management operators take over, ensuring that materials are reused or recycled.	Only at the end of the product's life do the goods enter 'deconstruction' in order to recover the resources in as new a condition as possible. (Era 'D')

With the linear economy, we allow ourselves losses in natural and monetary values. According to Stahel, waste can be understood as an expression of economic inefficiency, which must be remedied with circular economy concepts and extended responsibility on the part of producers.
Stahel names three essential characteristics of Circular economy – in contrast to linear economy:

- - The circular economy aims to **preserve the value of resources** and products/goods/objects (not to create added value).
- - The circular economy aims to **optimise resource/goods management** (not to optimise resource/goods flows).
- - The circular economy aims to **increase efficiency in the use of objects/goods** (not just to
- increasing **efficiency in the production** of objects/goods).

Extended producer responsibility means responsibility beyond quality assurance to include responsibility for preserving the value of resources in their raw or processed state. This can be achieved

- - through entrepreneurial drive or
- - by means of directives – as in the EU, for example, for the recycling of packaging waste.

Circular economy: preserving value, reaping benefits

In a **mature Circular Industrial Economy**, the aim is to maintain the value of goods/resources at the highest possible level (see table on the left).

This contrasts with supply chain management in the linear economy, which aims to minimise production costs. Prosperity is measured as the sum of the quality and quantity of all goods and resources. Growth is therefore an increase in quality and quantity, not an increase in material throughput. **In 2018, the World Bank Group began statistical measurements** of national prosperity in this sense.

If all raw materials 'go round in a circle', do we still need production companies?

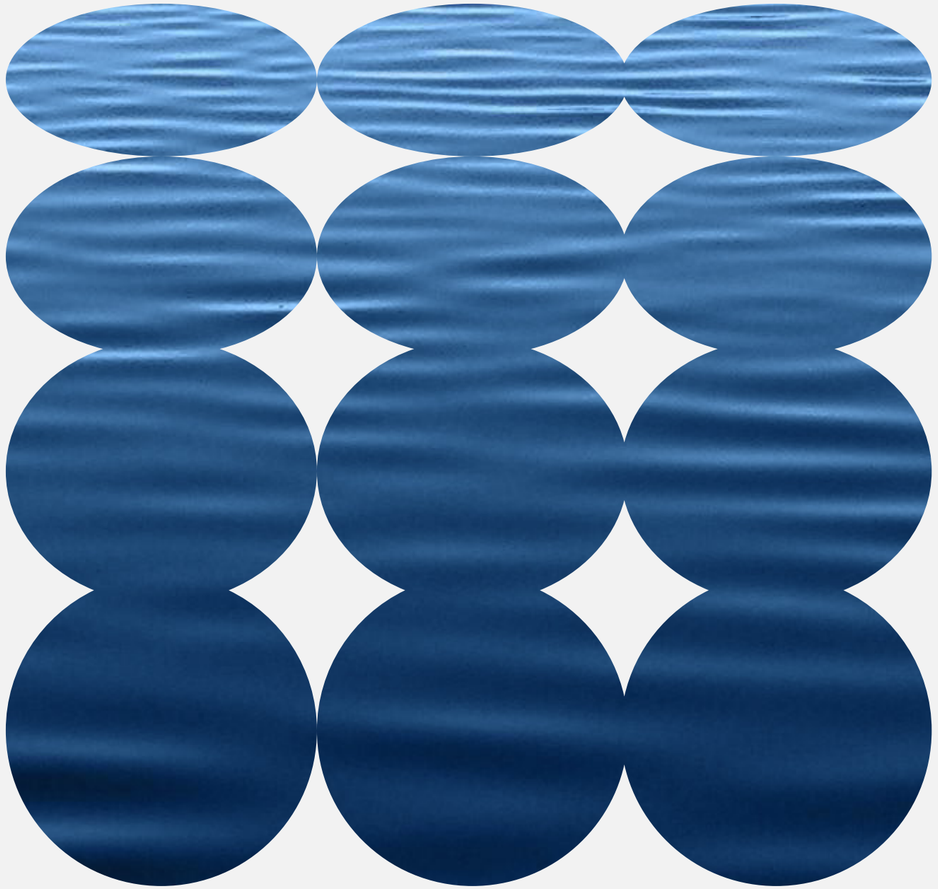
Industry, the manufacturing sector, will by no means become obsolete. Stahel sees production companies as suppliers of innovative system solutions and components that make it possible for

- Quality and value of goods, infrastructure and buildings remain as high as possible for as long as possible.
- The usage phase, which also includes remanufacturing, reuse, remarketing, etc., remains long – ERA of 'R'.
- Molecules and atoms can be recovered from existing objects through depolymerisation, devulcanisation, deconstruction, etc. as clean raw materials for new objects – ERA of 'D'.

The 'R' and 'D' eras are unexpectedly broad fields of innovation for entrepreneurs and companies. We need intelligent collection logistics concepts, more diverse sorting technologies and specific technologies for recovering raw materials in their molecular or atomic form. And we need new business models that take value retention into account.

Überhaupt aber besteht das Reichsein mehr im Gebrauchen, als im Besitzen.

Aristoteles (384 - 322 v. Chr.), griechischer Philosoph, Schüler Platons, Lehrer Alexanders des Großen von Makedonien



Performance Economy – the most profitable strategy

Stahel considers the Performance Economy to be the most sustainable and profitable strategy for realising a Circular Industrial Economy. In the Performance Economy, the factor of time plays a major role. Transactions are based on results and services, not on objects or goods. Companies remain owners of the goods and ensure that the value of their property is maintained. They sell the use of their products as a service over as long a period as possible.

In doing so, they maximise profits by

- exploiting synergies
- optimising system solutions
- using raw materials of sufficiently high quality, which avoids both waste and economic losses.
- Reusing their own raw materials over and over again, thereby avoiding the need to purchase new raw materials – with implications such as dependencies, global (uncertain) supply chains, responsibilities for supply chains, possible child labour in the country of origin, certifications, etc.
- Offer efficient solutions (e.g. efficiently organised car-sharing models)

Stahel sees this as the entrepreneurial motivation for setting up a business model based on the circular economy principles. In addition, the Performance Economy has the greatest sustainability potential AND offers increased enjoyment for fashionistas and car enthusiasts, for example. Those who wish to do so can borrow a new favourite item every day, which is of high quality because the person lending it wants to generate income from the rental for a long time.

CiRculaR Economy –
what sets the Rs apart

Everyone knows the 'R's that are always mentioned in connection with circular economy:

Relevance	R's
In the manufacturing or procurement phase	**1. Refuse** **2. Rethink** **3. Reduce**
During the utilization phase	**4. Reuse** **5. Repair** **6. Refurbish** **7. Remanufacture** **8. Repurpose**
After the end of the service life	**9. Recycle** **10. Recover**

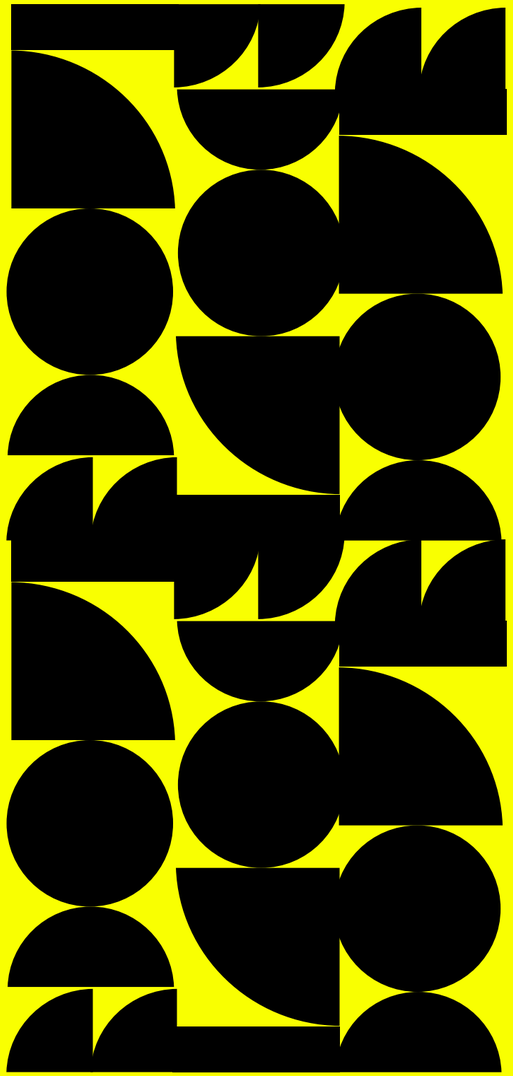
The era of 'R' in Circular Industrial Economy takes place during the utilitzation phase + more R's

- **ReUse**,e.g. construction site containers are used in a different location
- **RePair** is usually available locally; this sector is more developed in less developed countries
- **ReManufacture** e.g. trains, aeroplanes, military goods. Stahel describes remanufacturing as the Rolls-Royce of the 'R's
- **RePurpose**, e.g. the Olympic Stadium in Barcelona was then reused as a shopping centre
- **ReRefine**, e.g. recovery of lubricants and catalytic converters
- **ReProgramm**, e.g. reprogrammable microchips

Why is it important?

The owners of the goods decide how long these will be used. Companies have the opportunity to extend the service life of their goods, either through their own expertise or by using the relevant services provided by the manufacturers.
Or by selling not the products themselves, but their utilization.

This is where the main opportunities lie for companies to expand their existing business models!



What comes next?

Once goods have reached the end of their service life, the era of 'D' begins. This goes far beyond 'recycling' and 'recovery'. It preserves the quality of molecules and atoms through

- DePolymerise
- DeAlloy
- DeLaminate
- DeVulcanise
- DeCoat
- DeConstruct

In the era of 'D', we are undergoing a transformation in how we deal with goods/objects whose useful life has finally come to an end (after going through one or another 'R' manifestations) and which were generally considered waste and treated as such. We are moving away from end-of-life approaches and see our task to preserve the value of the smallest particles of goods, molecules and atoms.

Here, too, there are great opportunities for innovative companies.

As our member, you have achieved all this together with us!
Thank you very much!

Not a member yet? If you would like to contribute to such results, why not become a member?

We look forward to welcoming you
https://austriarecycling.at/become a member/