

## Significance and Main Aspects of the Circular Economy in Georgia

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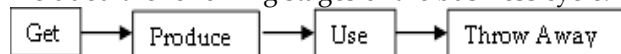
<b>Received</b> 12-05-2022	<b>Abstract:</b> As a result of extremely big amount of technical waste and limited industrial resources, the ecological problems and search for sustainable solutions are in the agenda of entire universe. In this context the scholars offer to apply the new economic model, the so called circular economy. A circular economy is the economic system which decouples economic activity from the consumption of finite resources. It is a resilient system that is good for business, people and the environment as it is a systems solution framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution. The circular business models are effective at micro (product, company, and consumer) as well as macro (city, district, state) and mezzo (eco-industrial parks) levels to ensure ecologically clean, economically well-off and socially equal environment to our future generations.	<b>Keywords:</b> Economy, Technical Waste, New Economic Model, Transformation, Recovery
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### INTRODUCTION

In modern times, due to the limited production resources and the accumulation of catastrophically large volumes of technical waste, the world is faced with the environmental problems of the Earth and the search for ways to solve them. That is why scientists propose to introduce a new model of the economy, the circular economy.

Until the beginning of the 21st century, the global economy was basically a linear model that included the following stages of the business cycle:



This economic production cycle model has been successful for decades. Its success is due to two main factors:

- A large number of resources that need to be obtained.
- An excess of places where garbage could be placed.

In modern times, due to globally depleted reserves of resources, as well as a huge amount of technical waste, the ecological state of the Earth is under threat, the ozone layer that surrounds the Earth as a protective shell from the harmful effects of sunlight is disturbed. Depletion of the ozone layer and a large amount of industrial waste cause a lot of problems, ranging from business problems to health problems and danger to human life.

Due to climate change and a number of other environmental problems in the world, the situation has changed and scientists propose to introduce a circular economic model that is

different from the existing one, the production cycle of which is as follows:



The circular economy focuses on waste prevention as products are improved and developed for the cycle of degradation and reuse.

This model allows companies to get additional benefits:

- Cost reduction (economical use and consumption)
- Financing new business models through new business opportunities such as picking, sorting.

The circular economy introduces a distinction between one-time and long-term consumption components. Disposable components are mainly made from biological materials, while durable goods are made from technical materials such as metal, plastic and others.

The systemic change needed to implement the circular economy will replace the concept of "consumer" with the concept of "user", i.e. long-term consumer goods will be leased under a new agreement between businesses and consumers. It will also be possible to use incentives to return these products with a view to their further use.

The circular economy describes an economic system that, by reducing the materials used in production, distribution, and the consumption process, replaces the end-of-life concept with alternative reuse, processing, and recovery. These business models work both at the

micro level (product, company, consumer), and at the macro (city, district, state) and meso (eco-industrial parks) levels to ensure environmental quality, root economic prosperity and social equality in the interests of current and future generations.

The concept of the circular economy is considered by scientists in three main directions, such as economic, environmental and social.

- The economic direction means saving natural resources, reducing the cost of raw materials, reducing energy costs, as well as reducing the cost of waste processing.
- The ecological direction includes the improvement of the ecological state through the reusable use of resources and the reduction of waste.
- Social orientation - this model will create opportunities for opening a new business and employment.

The circular economy is closely linked to the sustainable development of the economy and environmental protection, which is one of the main goals of the Association Agreement between Georgia and the European Union.

Sustainable development, in turn, is closely related to waste management, which is one of the priority areas of the circular economy, which includes the following steps:

- Waste prevention, which means conserving resources at the production stage so that we get the same amount of product using relatively few resources;
- Reuse of products, which will further save the resources and costs of the manufacturer;
- Waste recycling, which will greatly reduce environmental pollution.

The EU has developed the main directions of the circular economy action plan, such as:

- In a circular economy, the value of products, resources and materials is preserved as long as possible, so the generation of waste is minimized.

The circular economy will increase the competitiveness of the EU - it will protect enterprises from price volatility.

- Help businesses create innovative ways of producing and consuming.
- Provide energy savings and prevent damage caused by inappropriate use of resources

- It is very important to reuse and repair products, which will increase their shelf life.
- Significant changes and actions are needed in areas such as the processing of plastics, food waste, scarce raw materials, fertilizers, mining and industrial waste.

Since Georgia signed an association agreement with the European Union in 2014, it is necessary to introduce the main nuances of the circular economy in our country as well.

According to the Association Agreement with the European Union, priority areas have been identified in Georgia:

- Climate change mitigation;
- Research, development, implementation and dissemination of safe and sustainable low-carbon technologies;
- Integration of climate-related issues into sectoral policies;
- Joint research activities and exchange of information on clean technologies;
- Cross-border cooperation (transportation of pollutants across the border);
- Development of a national adaptation action plan.

It is very important and necessary to bring the national legislation of Georgia closer to the EU legislation and international legal instruments. It is also important that cooperation on climate change, which Georgia will strengthen, be based on mutual benefit and the interests of both parties.

An important task of the circular economy is to use the market mechanism in such a way that every product becomes as green as possible. However, the transformation of any product into an environmental product is associated with significant additional costs, which the business avoids and does not take into account the long-term harmful effects that may become irreversible.

Therefore, the main direction of the circular economy is the return to the cycle of the economy of the costs of waste management and the production of environmentally friendly products and the generation of additional income both through the reuse of resources and their conservation.

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