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## THE SOCIOECONOMIC IMPACT OF UKRAINE'S TRANSITION TO THE PRINCIPLES OF THE CIRCULAR ECONOMY

**Rashidi R. B.**

*student of the master's degree  
Poznan University of Economics and Business,  
Poznan, Poland*

Circularity economy (hereinafter referred to as CE) means “the effective reuse and recycling of resources, materials and products in closed cycles. In other words, circularity is an economic model that represents sustainable development as a transition from a linear model based on consumption and disposal to a model in which the lifetime of products is maximized and materials and waste are minimized” [8, p. 5-6].

The implementation of circular economy principles in European countries has demonstrated the benefits of this approach, particularly the economic ones. Circularity in economic activity is becoming more than just a profitable economic mechanism; it is, above all, a mechanism essential for the safe, comfortable, and sustainable existence of humanity. For Ukraine, the transition to a circular economic policy is a complex, multifaceted issue. Politically, it is an instrument of European integration. Economically, it is a means of a rational approach to the country's post-war reconstruction and a strategy for survival in conditions of dwindling (limited) resources. It is precisely this multi-dimensional nature that makes the study of this issue **relevant**.

**The aim of this study** is to examine the socioeconomic implications of implementing a circular economy in Ukraine.

**Results.** The mechanisms for implementing a circular economy in Ukraine are currently the subject of active research. Among the main issues were those concerning the creation of institutional frameworks [2, p. 86]; the system-forming elements of the circular economy [1]; the conceptual principles underlying the circular economy and circular business models as a synthesis of global experience [5, p. 241]; the development of a roadmap for implementing CE practices [7]; the effectiveness of waste management in Ukraine [7; 10]; the development of small businesses during the transition to a new economic model [6]; the training of CE specialists [9]; and corporate social responsibility in the context of the transition to such an economic model [3].

Among the long-term benefits cited by researchers are: conservation of resources and increased efficiency in their use; reduced environmental impact; economic growth and innovation; job creation; the emergence of new markets and business opportunities; and reduced economic dependence on energy and resource imports [4, p. 86].

For example, as part of the implementation of the provisions of the National Waste Management Strategy through 2030, the introduction of the concept of resource efficiency and eco-friendly production (RECP) by optimizing the use of raw materials and energy while minimizing waste volumes has resulted in reduced operating costs and increased competitiveness of Ukrainian enterprises [7, p. 116].

The economic benefits of transitioning to a circular economy model clearly outweigh the challenges that will need to be overcome along the way. It should be noted that a particular incentive for accelerating progress toward implementing circular economy policies is undoubtedly the EU integration requirement to implement the “Green Deal”. Ukraine is officially aligning its legislation with EU standards. The circular economy is one of the fundamental issues in the negotiation process. Without the implementation of closed-loop principles, Ukrainian goods will not be able to compete in the European market. The transition to secondary raw materials and energy efficiency, for example, allows for the avoidance of substantial tariffs and leads to cost reductions. Thus, compliance with regulations has significant socio-economic implications, ranging from profit generation to job creation.

Another aspect is the need to strengthen resource independence in light of raw material shortages caused by the disruption of supply chains and the loss of access to certain natural deposits. Converting waste into energy is also becoming critically important for energy decentralization. The pressing issue of environmental safety – overloaded landfills – can now become an effective economic factor. Furthermore, Ukraine already faces additional challenges with the disposal of waste resulting from military operations. This waste can and should also become a resource.

A separate advantage of intensifying circular economy initiatives is the potential to attract European funds and private investors to the country's reconstruction.

Benefits for improving the social component include creating demand for new skills and, consequently, new jobs; fostering social responsibility and, as a result, reducing household spending on goods; and improving public health by reducing environmental pollution.

Of course, the process of restructuring the economy is labor-intensive and costly, giving rise to a whole range of problems. Among the most significant obstacles is the fact that Ukraine's environmental protection technology is not advanced enough to have a significant impact on the development of the circular economy [4, p. 82]. Other issues that need to be addressed include the uneven distribution of benefits from the circular economy, the complexity of supply chains, the need for significant capital investment, strong pressure on the government from "traditional" industrial sectors, and a shortage of skilled workers [4, p. 86]. However, when discussing obstacles, it is important to recognize that all the listed problems should serve as a motivational catalyst rather than a barrier to implementation. "This requires cooperation between the state, businesses, and civil society, as well as the identification of innovative solutions to ensure economic security. There is a need for a scientific rethinking of existing traditional economic models in the context of ensuring sustainability" [2, p. 86].

**Conclusions.** Unlike the traditional linear model, the circular model is based on resource recovery with the aim of minimizing waste as much as possible and extending the life cycle of goods. Ukraine's transition to the principles of the circular economy has already had, and may continue to have, positive socioeconomic consequences. A number of significant factors, such as resource scarcity, the environmental crisis, and potential socio-economic benefits, explain the feasibility of and lay the groundwork for the active implementation of circular principles in the Ukrainian economy. This economic model gradually builds a path from the economic benefit of interpreting waste as a resource for a new cycle, the efficient use of available resources with the maximization of their utility and service life, to the universal human benefit – the restoration of ecosystems.

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