



16 JUN, 2025

Circular economy for the poor

The Sun, Malaysia



COMMENT  
by Prof Datuk  
Dr Ahmad Ibrahim

Circular economy for the poor

**I**N recent years, the concept of a circular economy has captured the imagination of policymakers, businesses and environmentalists worldwide.

It promises a world where products are designed to last, materials are reused and waste is minimised – a refreshing alternative to the extractive, waste-heavy systems that have dominated for decades. But while much of the conversation revolves around high-tech recycling innovations and sophisticated industrial systems, there lies a compelling, often overlooked truth: The poor have been practising various forms of circularity for generations. From informal recyclers in Nairobi to artisans in Manila, millions of low-income communities already rely on waste as a means of survival. The question is no longer whether waste can build wealth; it's how we can structure systems to help them do it safely, fairly and sustainably.

At its core, a circular economy seeks to eliminate waste and pollution, keep products and materials in continuous use and regenerate natural systems. It replaces the traditional linear "take-make-dispose" economy with a system built on reuse, repair, recycling and resource efficiency.

While high-income nations pursue this through recycling plants and closed-loop manufacturing, the poor practised informal circular economies through necessity; turning discarded materials into livelihoods



In many cities, informal waste pickers perform the essential work of recovering recyclables. – AFP/PIC

long before sustainability became a global rallying cry.

For low-income communities, waste is not merely refuse; it is a resource. In cities across Asia, Africa, and Latin America, waste pickers earn their living by collecting, sorting and selling recyclable materials. Artisans and micro-entrepreneurs transform waste into marketable products, from handicrafts to furniture. Urban farmers rely on compost made from organic waste to fertilise crops.

These communities disproportionately bear the brunt of environmental degradation. Poorly managed waste leads to polluted waterways, health hazards and overcrowded landfills, all of which threaten both livelihoods and public health. A well-designed, inclusive

circular economy can therefore be both an environmental imperative and a poverty alleviation strategy.

How can waste build wealth? In many cities, informal waste pickers perform the essential work of recovering recyclables.

By formalising and supporting these workers through cooperatives, training and fair compensation, entire communities can gain access to safer, more stable livelihoods.

In Colombia, the Bogota Association of Recyclers transformed thousands of informal recyclers into organised and licensed professionals, improving incomes and working conditions while boosting the city's recycling rates.

Turning waste into value-added products has proven a powerful tool

for community entrepreneurship. Plastic bags become wallets, old tires become furniture, and discarded textiles find new life as fashionable accessories.

Organic waste, which often constitutes up to 60% of municipal solid waste in developing countries, presents an opportunity for local composting projects.

These initiatives reduce landfill burdens, cut methane emissions and provide compost for small-scale urban agriculture. In the Philippines, slum communities have organised micro-composting centres, converting food scraps into fertiliser.

Biogas systems fuelled by organic waste can supply clean cooking gas and electricity in off-grid areas, reducing reliance on wood and charcoal, improving indoor air quality and creating economic opportunities.

Despite their invaluable role, informal waste workers face numerous challenges: lack of legal recognition, health and safety risks, social stigma and limited access to capital and markets.

Governments and organisations can address these barriers by recognising and licensing waste workers, providing micro-financing for waste-based enterprises, offering training in value-added waste processing and establishing fair market linkages between informal sectors and formal industries.

It's time to broaden the circular economy conversation. Far from being passive beneficiaries, low-

income communities are already practising grassroots circularity in ways that deserve recognition and support.

By investing in these informal systems and integrating them into national sustainability frameworks, countries can advance their environmental goals while creating dignified, inclusive economic opportunities.

The next phase of the global circular economy movement must be as much about social justice as it is about sustainability. In doing so, waste can truly become wealth, not just in monetary terms, but also in fostering resilience, dignity and hope for the world's poor.

In Malaysia, if the circular economy is fully embraced in the palm oil business, farmers can enjoy additional income if the oil palm biomass can be value added.

As of now, the conversion of oil palm biomass into energy is still haphazard. Once a clear market value is established, then the new additional value will also trickle down to benefit the farmers. There is much to gain in a circular economy for the palm oil industry. Government intervention is key.

**THE** author is affiliated with the Tan Sri Omar Centre for STI Policy Studies at UCSI University and is an associate fellow at the Ungku Aziz Centre for Development Studies, Universiti Malaya. He can be reached at [ahmadibrahim@ucsiuniversity.edu.my](mailto:ahmadibrahim@ucsiuniversity.edu.my)



16 JUN, 2025

## Circular economy for the poor

The Sun, Malaysia



### SUMMARIES

C O M M E N T by ProfDatuk Dr Ahmad Ibrahim

IN recent years, the concept of a circular economy has captured the imagination of policymakers, businesses and environmentalists worldwide.It promises a world where products are designed to last, materials are reused and waste is minimised - a refreshing alternative to the extractive, waste-heavy systems that have dominated for decades.