

International Trade and the Circular Economy: A New Frontier

Bucur Louisa-Maria PhD¹, Stan Brîndușa-Nicoleta PhD²

*Bucharest University of Economic Studies¹, Babeş-Bolyai University - Faculty of Economics and Business
Administration - Department of Political Economy²*

Abstract

Over the last decades, the global community has been confronted with a real challenge to find sustainable solutions that are suitable to combat environmental degradation. Therefore, the circular economy has emerged to transform environmentally harmful economic activities and practices into sustainable ones. The aim of this article is to explore the dynamic relationship between international trade and the circular economy, with a focus on the principles of such an economy, which will play a central role in the context of international trade. Accordingly, it will investigate how international trade can be used as a catalyst for the transition from a linear to a circular economy, while promoting resource efficiency and environmental sustainability. The extension of product lifetimes will be highlighted, as well as economic integration through regulatory convergence and knowledge sharing in related fields. Using explanatory graphs and significant variables such as material import dependency and trade in recyclable raw materials it will be demonstrated that international trade has a strong impact on the transition from a linear to a circular economy. The paper will analyse these parameters for the European Union countries over a 5-year period.

Keywords: economic integration, environmental responsibility, green economy, resource efficiency, sustainability