

# DUTY OF CARE AS A TOOL FOR RESPONSIBLE INVESTING IN CIRCULAR ECONOMY IN AFRICA

By Cajetan Nwabueze Okeke (M.A)  
Alamonk Recyclers Ltd

## Abstract

Economic and social development, a healthy environment and stable society are necessary for sustainability in circular economy. Most countries of the African continent are developing economies and despite the growing number of companies, linear economy is still practiced and the emerging road map for circular economy needs to incorporate social elements in resource management. This paper examined the role of duty of care in transiting from linear economy to circular economy in Africa using Nigeria as a case study. Analytic method was used and the study found that to progress from linear to circular economy, duty of care is invaluable. It is realised in a nested interdependencies where humans depend on one another and other life forms for survival. It is embedded in the ESG – Environmental, Social and Governance that will result to SRI – Socially Responsible Investing activities of corporations and organisations. The study concludes that duty of care for the environment, the society and for sustainability should be in the core value of every corporation in order to transit to circular economy in Africa.

## Introduction

Over the years, Africa has become the continent that provides for all, her rich natural resources is available to the whole world. Despite these, more than 40% of the African population lack the basic amenities of life. An adequate duty of care will enable companies, agencies to care for the wellbeing of their host communities. Duty of care manifest in sustainable management of waste. According to data from World Bank, Sub-Saharan Africa with a population of 1.03 billion people in 2016, generated 174 million tons of waste, at a rate of 0.46 kg per capita per day. It is the fastest growing region, with waste expected to nearly triple by 2050. Overall waste collection rates are about 44%, although the rate is much higher in urban areas than in rural areas, where waste collection services are minimal and about 69% is openly dumped. Nigeria, with an estimated population of 200 million people generates an estimate waste of 35 million tons per year. Lagos is the most populated city in Nigeria and always presented as a model in waste management in the country. With the population of 21 million people according 2016 statistics which should have grown up to 23 million in 2020, the city generates an accounted waste of 16,500 tons per day. For the whole of Nigeria, the amount of waste collected is a mere 20% to 30% of the total waste output. (scoping mission). However, waste is still poorly managed, open and unsanitary landfills are used, about 10% or materials are recovered for recycling, and resources are wasted.



## Duty of Care

Duty of care is a moral or legal obligation to ensure the safety and wellbeing of others, the environment and to refrain from actions that may cause harm to others, the environment and other life forms.

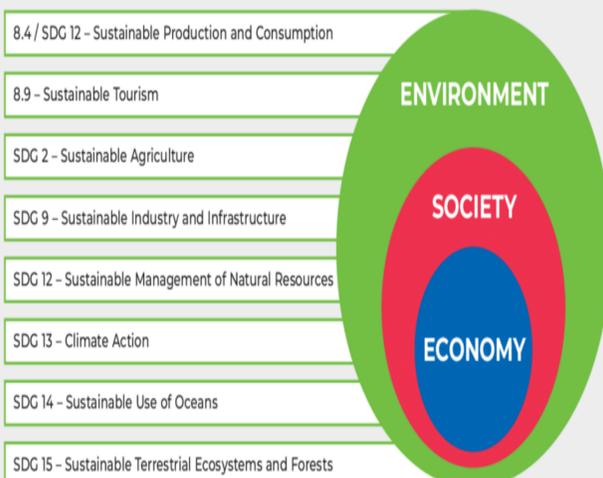


## Discussions

Duty of care depends on human behaviour. The overlapping characteristics are embedded in nested interdependencies for responsible investing in transiting to circular economy. These are captured as social elements for circular economy.

### These elements include:

- Social acceptability: population participation and perception
- Communication and societal responsibility
- Reimagine designs of product
- Environmental consciousness
- Social equity: rewards, EPR - Extended Producers Responsibility.
- Social function: employment, training and education, market.
- Management of health safety and risk
- Introduce sustainability studies and waste management as disciplines in universities.
- Nested interdependencies



Source: ILO.

## Results

1. Adequate implementation of Duty of care will result to sustainable SRI and to circular economy.
2. ESG will close the loop, waste will be sustainably managed for transition to circular economy.
3. Waste will be seen as resources.
4. The environment will be clean.
5. Profit of companies will increase.
6. The society will be happy and health improved.

### Creating value and prosperity



Source: Unido

## Conclusion

Duty of care creates harmony of ESG for SRI towards a circular economy that will ensure a systematic change away from the 'take, make, dispose' model. The principles of Circular economy per se are the same everywhere but in Africa there are distinguishing peculiarities defined by socio-cultural and geographical boundaries that must be taken into consideration. Again, sustainable waste management is vital for circular economy when it incorporates the factors of production and eliminates the principles of linear economy. Tons of waste are wasted in Africa, these resources can be recovered for a healthy economy. It is imperative, therefore, to bear in mind that a holistic care for the society, the environment and the economy in a nested interdependencies will be an ivory tower for circular economy. The time for African continent to commit to value and ethics is now.

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