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## **A System Dynamics Model for Construction Waste Resource Recovery Management in China**

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### **Abstract**

Construction waste resource recovery management (CWRRM) is a key focus within academia and industry, as it is directly related to the effectiveness of construction waste management (CWM) activities, and to a great extent, affects the sustainable development of green buildings and the environment. How to provide incentives and generate the enthusiasm of stakeholders in waste management is especially critical. This paper uses the system dynamics (SD) method to study the CWRR problem, through the analysis of the relationship between various influence factors for contractors to resourcefully dispose CW, we firstly establish a model for CW resourceful disposal in three stages of construction, use VENSIM software for simulation, and apply the model in a construction project in Chengdu, China. The results showed that the most effective measures to increase the amount of waste resource recovery (WRR) are to improve the market demand in renewable materials, to improve the construction enterprises' consciousness in setting up green images, and to improve the recycling market development level. SD applied to study the problem of CWRR, can better reflect the complex relationships between various factors in the system, and can be used to provide guidance and reference for the establishment of CWRRM measures.

**Key words:** System dynamics; Construction waste resource recovery management; Construction stages

### **1. Introduction**

The construction industry is one of the largest solid waste producers worldwide, with the increasing of construction activities, producing large amount of CW every year. Compared to the amount of CW every country produces each year, the recycling ratio is small, especially in developing countries. Project decision-makers tend to put more emphasis on cost, time, quality and safety, etc, traditional construction targets, while ignoring the effect that the large amount of waste generated in the construction process has on environmental sustainability.

Along with the growing of China's urban population and the quickening of urbanization, waste generated by urban construction activities is also growing. According to statistics, China's urban CW generation has reached 30% to 40% of the total municipal solid waste at present. In 2014, China produced almost 1 billion tonnes of CW, with a recovery rate of only 5%, this wasting a lot of land resources, and also greatly affect the sustainability of the urban environment (NDRC, 2014). In China, CW recycling technology has no barriers; lack

effective process patterns, incentive policies, and a good market environment become the main bottleneck of CWRR. How to realize CWRR has become a critical focus of people's attention. It should be pointed out that CWRR in this paper included waste recycling and reuse, onsite and off-site.

At present, Yuan (2012) indicated that CWM research is still in its infancy. In terms of static study of CWM system, Yuan and Shen (2013) analyzed eight major international journal publications from 2000 to 2009, and summarized the latest research trends in CWM. Lu and Yuan (2010) put forward the key factors for CWM, then, they established a CWM research framework, and pointed out important directions for research in the future (Lu and Yuan, 2011). Lu et al., (2015) used valid CWM data sets from Hong Kong, to establish a series of reliable waste generation rates. Li et al., (2016) established a quantitative estimation model for CW, to improve the accuracy of CW quantitative estimation at the project level.

The dynamics study of CWM system needs to consider the interaction relationship between the variables in the system (Hao et al., 2010; Yuan et al., 2011). Based on the economic benefits perspective, Yuan et al., (2011) established a system dynamics model for CW cost-benefit analysis. Yuan and Wang (2014) determined a scientific and reasonable CW disposal charging fee. Based on the environmental benefits perspective, Gui et al., (2012) established a system dynamics model to evaluate CWM environmental benefits. Ding et al., (2016) set up a CW reduction management model based on the theory of planned behavior, to simulate the environmental benefits of CW reduction management. Based on the social benefits perspective, Yuan (2012) established an evaluation model for the social benefits of CWM using the system dynamics method. Wang et al., (2015) set up a quantitative evaluation model for different management strategies and policy implications of CW reduction at the design stage. Some scholars in China have begun to study CWM with the SD method, but overall, still in its infancy (Wang and Yuan, 2008; Wang and Yuan, 2009; Wang et al., 2012; Yuan and Wang, 2013; Liu et al., 2014).

Recently, CW reduction and recycling have been the focuses of the scholars. Waste reduction research takes scholars' attentions. Yuan et al., (2012) assessed CW reduction strategies in different situations with the SD method. Li et al., (2015) investigated designers' attitudes and behavior in CW minimization, and determined the influence factors in the design process. Research in WRR is relatively less, Tam (2008) summarized three benefits of recycling: (1) Recycling reduces the demand for new resources; (2) Recycling reduces energy consumption in transportation and production; (3) Recycling realizes reasonable waste utilization. Mohamed and Shima (2014) evaluated CWM methods in the impact of both the economy and environment, and encouraged contractor recycling waste. Also, some scholars studied the economic feasibility of waste recycling centers (Zhao et al., 2011; Srour et al., 2013). However, research on WRR is relatively superficial, and has not put forward specific strategies to promote WRR. Based on above research, this paper expands the concept of recycling to the resource recovery level, and puts forward specific strategies aiming at promoting WRR.

In recent years, the "reduction, recycle and reuse" (3R) strategies is being implemented globally. In China, the effect of the strategy is at a basic stage. The most important factor is the lack of effective management and incentive measures. At present, Liu et al., (2014) stated that economic measures for CWM involve fines, but the effect is not ideal, and waste management consciousness in construction enterprises has not improved. Due to the lack of related management and incentive measures, maturation of the waste recycling market is low, and is short of the consciousness that construction enterprises need to set up green

images. Not only that, because of people's strange psychology of the CW concept, customer trust level is extremely low, Liu and Huang (2014) indicated. So, in conducting CWRR disposal, system analysis and choosing the right strategies is of great significance.

How to determine the CWRR strategies and make management decisions, for both construction enterprises and governments is a very important question. Past studies involved CW quantitative research mostly using the method of experience value estimation, rarely referred to CWM staging studies. But due to the various stages of construction processes involved different working aspects and building materials properties, general quantitative analysis can't truthfully reflect the generation and disposal situations of CW. Based on the discussion above, this paper uses the system dynamics method to develop a CWRR disposal model, taking a construction project in Chengdu, China as an example. The construction processes are innovatively divided into three stages: foundation engineering, main body engineering, and decoration engineering. This validates the rationality and validity of the model, using VENSIM software for simulation analysis, and provides guidance and reference for construction projects in taking WRR management measures at different construction stages.

## **2. System dynamics approach**

### **2.1 System dynamics and its application**

The model proposed in this study is constructed in line with the principle of system dynamics (SD), which is a method originated by Jay Forrester in the 1960s to deal with large-scale systems of high complexities. It is based on feedback control theory, by means of computer simulation technology, and is mainly used for research on the relationship between complex systems structures, functions and dynamic behavior. CWM itself is a complex system, involving different stakeholders (such as owners, contractors, engineers, waste managers, etc.) and many links (such as generation, landfill, recycling, etc.). Because of this, the application of SD can solve related problems with good rationality. In recent years, SD applied research in the field of CWM has also been increasing.

### **2.2 SD model on the VENSIM software**

There are two ways to represent SD models, the causal loop diagram and the stock-flow diagram. These two kinds of representation are embodied in the different stages of modeling. A causal loop diagram is used to represent the main information in a real system, which can be seen as a conceptual model; and a stock-flow diagram is on the basis of the causal loop diagram, using computer simulation software. In a sense, the causal loop diagram and the stock-flow diagram are actually different manifestations of the real system. The main difference is that the stock-flow diagram is a detailed version of the conceptual model, for quantitative simulation and analysis. Liu et al., (2014) mentioned that skilled modeling can be directly established in a stock-flow diagram of the software environment, but the causal loop diagram is more suitable for a clearer understanding of the influence mechanism of the model.

In this study, the stock-flow diagram is established by VENSIM software, specially designed for SD modeling. Based on the above, there are four steps for establishing the SD model, as shown in table 1.

**Table 1** Model developed steps

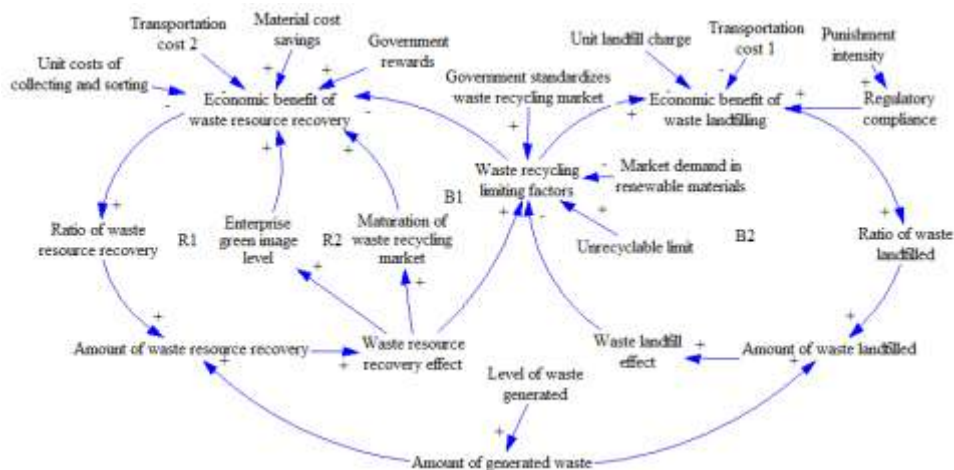
| Process            | Comment                                                                        | Tool                       |
|--------------------|--------------------------------------------------------------------------------|----------------------------|
| System description | Describe the interactional relationship between variables in the system        | Causal loop diagram        |
| Build model        | Turn the causal loop diagram into the stock-flow diagram, and define variables | Stock-flow diagram(VENSIM) |
| Model validation   | Using historical data to verify the correctness of the SD model                | (VENSIM)                   |
| System analysis    | Model simulation and policy Suggestions                                        | (VENSIM)                   |

### 3. MODEL DEVELOPMENT

The development of the SD model usually follows a few steps, including system description (causal loop diagram), Stock-flow diagram, model validation and system analysis. This paper follows the same steps to establish the model for CW resourceful disposal in three stages of construction.

#### 3.1. SYSTEM DESCRIPTION

The SD model established in this paper involves two ways for CW disposal, which are waste landfill and WRR; three stages of project construction, which are foundation, main body and decoration. The model clearly describes two waste flows after CW generation, activities and behavior of CW through each stage constitutes the complete CW disposal feedback loop. After this, the model introduces the economic benefits indexes of the two disposal ways, which are the economic benefit of WRR and the economic benefit of waste landfilling, encouraging contractors to undertake WRR disposal. Parameters used in this model are from field research studies and a large number of published studies.



**Figure 1.** The causal loop diagram

#### 3.2. CAUSAL LOOP DIAGRAM

A causal loop diagram describes the internal relations between each element in the SD model, based on a large number of published studies, establishing a causal loop diagram as shown in Fig. 1. The figure includes 2 positive feedback loops (i.e. R1 and R2) and 2 negative feedback loops (i.e. B1 and B2), also including variables that do not participate in a feedback loop, which pose causal chains with other variables, as seen in the figure. It is noted that a change in any variable within the positive feedback loops will eventually affect itself in a positive way. On the contrary, Yuan and Wang (2013) referred that a change in any variable within the negative feedback loops will affect itself in a negative way.

In the positive feedback loop R1, as shown in Fig. 1, an increase in the amount of WRR will increase the WRR effect, which leads to an improvement in the enterprise green image level. It will then improve the economic benefit of WRR, the larger economic benefit improving the ratio of WRR. In the end, a high ratio of WRR will stimulate managers to conduct WRR disposal.

By replacing the variable "maturation of waste recycling market" with the variable "enterprise green image level" in the feedback loop R1, a new feedback loop R2 can be developed. The causal relationships among loop R2 are similar to those in loop R1.

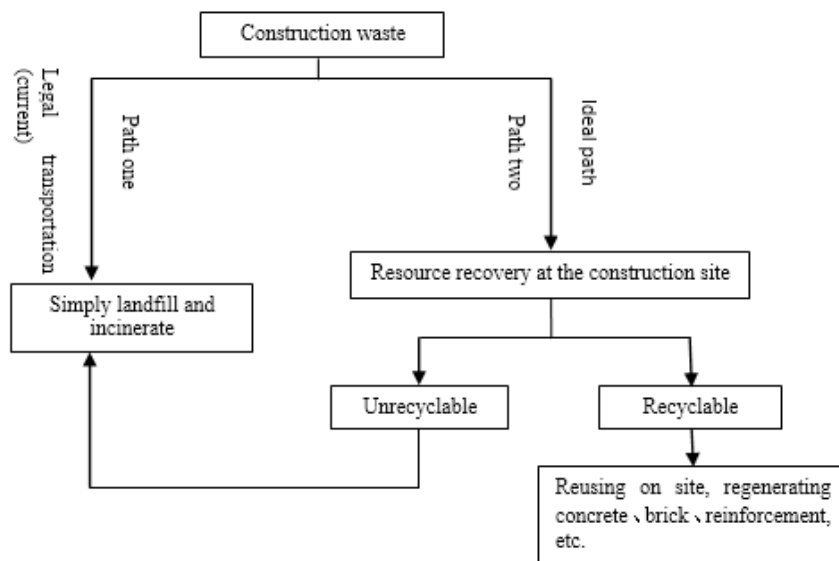
Feedback loop B1 has similar but opposite causal relationships as the feedback loop R1, while the difference is replacing the variable "waste recycling limiting factors" with the variable "enterprise green image level". Then, the larger WRR effect will cause more waste recycling limiting factors, which to some extent minimizes the economic benefit of WRR. Eventually, a lower economic benefit of WRR will lead to a smaller amount of WRR.

The feedback loop B2 is also negative. In this causal loop, an increase in the amount of waste landfilled will contribute to a larger waste landfill effect. As a consequence, contributing to fewer waste recycling limiting factors, it will cause a reduction in the economic benefit of waste landfilling. Lower economic benefit leads to a lower ratio of waste landfilled. Finally, lower ratio of waste landfilled will affect a smaller amount of waste landfilled.

Some of the key factors' meanings in the causal loop diagram are explained as following.

- Amount of generated waste: There are two main sources, one is generated by the construction process, and another is generated during demolition. This paper only discusses the CW, as shown in Fig. 2. Assuming no illegal dumping, all waste generated is collected. There are two possible waste flows after collection, one flow is transported to the waste landfill site, another is conducted waste classification, transporting recyclable waste to the waste recycling center, and unrecyclable waste to the waste landfill site.
- Amount of WRR: Refers to the amount of waste recycled and reused onsite and transported to the recycling center by contractors during the construction.
- Amount of waste landfilled: Refers to the amount of waste transported to the waste landfill site.
- Waste recycling limiting factors: These include the unrecyclable limit, the government standardized waste recycling market and the market demand in renewable materials, weights 0.3, 0.2, and 0.5, respectively.
- Maturation of waste recycling market: Mainly refers to the development level of the CW recycling market, with the value 1 expressing the present recycling market development situation.

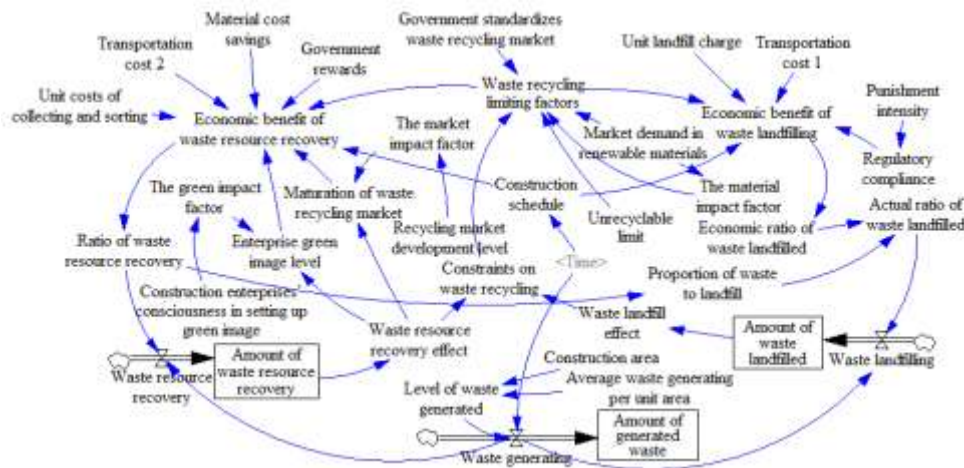
- Enterprise green image level: Mainly refers to construction enterprises' consciousness in establishing green images, with the value 1 expressing the average green image consciousness of enterprises at present.
- Economic benefit of WRR: Refers to the economic benefits brought by contractors conduct WRR disposal. The costs of collecting and sorting, and transportation reduce the economic benefits, whereas the material cost savings and the government rewards increase the economic benefits.
- Economic benefit of waste landfilling: Refers to the economic benefits brought by contractors conduct waste landfill disposal. Landfill charge and transportation costs reduce the economic benefits, whereas the regulatory compliance increases the economic benefits.



**Figure 2.** Construction waste disposal pattern

### 3.3. STOCK-FLOW DIAGRAM

According to the causal loop diagram constructed in Fig. 1, equations can be further used to describe the logical relationships between the system variables, clearing the quantitative relationships between the system variables and control processes, and describing the feedback and dynamic law of the system. A stock-flow diagram for CW resourceful disposal in three stages of construction is shown in Fig. 3, and the equations are given in Appendix A.



**Figure 2.** The stock-flow diagram

When analyzing a system, we usually consider four variables, namely stock, flow, auxiliary and parameters. Stocks describe the state of the system at any given moment; flows are used to show the stocks' change speed; auxiliaries make the complex decision function easy to understand; parameters are various reference numbers in the system, remaining the same in a run.

In this paper, the names of the variables and their types are shown in table 2.

**Table 2** Determination of the variable properties

| Variable name                               | Variable type | Variable name                                  | Variable type |
|---------------------------------------------|---------------|------------------------------------------------|---------------|
| Amount of generated waste                   | Stock         | Government standardizes waste recycling market | Parameter     |
| Waste generating                            | Flow          | Unrecyclable limit                             | Parameter     |
| Level of waste generated                    | Auxiliary     | Market demand in renewable materials           | Parameter     |
| Amount of waste resource recovery           | Stock         | Amount of waste landfilled                     | Stock         |
| Waste resource recovery                     | Flow          | Waste landfilling                              | Flow          |
| Ratio of waste resource recovery            | Auxiliary     | Actual ratio of waste landfilled               | Auxiliary     |
| Economic benefit of waste resource recovery | Auxiliary     | Economic benefit of waste landfilling          | Auxiliary     |
| Unit costs of collecting and sorting        | Parameter     | Unit landfill charge                           | Parameter     |
| Transportation cost 2                       | Parameter     | Transportation cost 1                          | Parameter     |
| Material cost savings                       | Parameter     | Regulatory compliance                          | Auxiliary     |
| Government rewards                          | Parameter     | Punishment intensity                           | Parameter     |
| Enterprise green image level                | Auxiliary     | Waste landfill effect                          | Auxiliary     |
| Maturation of waste recycling market        | Auxiliary     | Constraints on waste recycling                 | Auxiliary     |

|                                                                   |           |                                        |           |
|-------------------------------------------------------------------|-----------|----------------------------------------|-----------|
| Construction enterprises' consciousness in setting up green image | Parameter | Waste resource recovery effect         | Auxiliary |
| Recycling market development level                                | Parameter | Economic ratio of waste landfilled     | Auxiliary |
| Construction schedule                                             | Auxiliary | Proportion of waste to landfill        | Auxiliary |
| Waste recycling limiting factors                                  | Auxiliary | The market impact factor               | Auxiliary |
| The green impact factor                                           | Auxiliary | The material impact factor             | Auxiliary |
| Construction area                                                 | Parameter | Average waste generating per unit area | Parameter |

#### 4. MODEL SIMULATION AND RESULTS ANALYSIS

##### 4.1 QUANTIFICATION OF VARIABLES

The development of above SD model is based on relations where the factors influence each other of the system. To simulate the model developed and carry out quantitative analysis, the WRR practices in the construction industry of Chengdu City, southwest China, is investigated. The selected case is a new commercial integrated project, located in the high-tech zone of Chengdu, with total construction area 134441.00m<sup>2</sup>, total project duration 24 months, including 5 months of foundation engineering, 10 months of main body engineering, and 9 months of decoration engineering. The initial value and methods to determine the variables are shown in table 3.

Data is collected by all kinds of irregular field investigations, using questionnaires and carrying out a series of formal and informal interviews, meetings and face to face communication with a number of stakeholders who participate in CWM (including project managers, site managers, on-site technical engineers, supervision engineers, etc.). All stakeholders selected have 6 years working experience in CWM, and have a deep understanding of waste management practices.

**Table 3** Quantitative variable values

| Variable name                                                     | Initial      | Further information                                                                               |
|-------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------|
| Unit costs of collecting and sorting                              | 30yuan/tonne | Yuan et al., (2011)                                                                               |
| Transportation cost 2                                             | 50yuan/tonne | Yuan and Wang(2014)                                                                               |
| Material cost savings                                             | 5yuan/tonne  | Yuan et al., (2011)                                                                               |
| Government rewards                                                | 0yuan/tonne  | Current waste recycling subsidy standards in Chengdu                                              |
| Construction enterprises' consciousness in setting up green image | 1            | Construction enterprises' consciousness basic value of setting up green image during construction |
| Recycling market development level                                | 1            | Basic value of CW recycling market development level                                              |
| Government standardizes waste recycling market                    | 1            | Government make policy to standardize waste recycling market                                      |

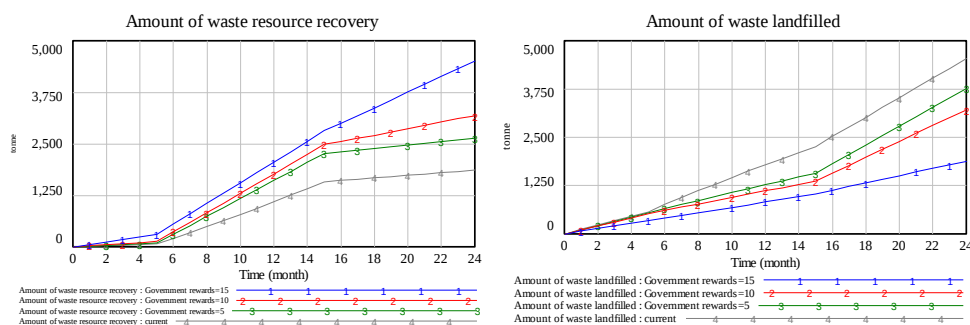
|                                           |                      |                                                                                     |
|-------------------------------------------|----------------------|-------------------------------------------------------------------------------------|
| Unrecyclable limit                        | 1                    | Existing unrecyclable (must landfill)<br>CW                                         |
| Market demand in renewable materials      | 1                    | Building materials market demand<br>basic value of recycling waste for<br>renewable |
| Unit landfill charge                      | 1.33yuan/tonne       | Current waste landfill charge<br>standards in Chengdu                               |
| Transportation cost 1                     | 25yuan/tonne         | Yuan and Wang(2014)                                                                 |
| Punishment intensity                      | 1                    | Penalties for illegal dumping behavior                                              |
| Construction area                         | 134441m <sup>2</sup> | Case project information                                                            |
| Average waste generating per<br>unit area | 47.6/1000            | Yuan et al., (2012)                                                                 |

## 4.2. MODEL TESTING AND VALIDATION

After determining all variables and functions of the model, it is critical to check the validity through a set of tests, to ensure its reliability and applicability, and at the same time in order to ensure that the model is an accurate abstraction of real world systems. SD model tests mainly include mechanical error tests (check the model for spelling errors and logic connection errors), dimension consistency test (check all variable dimensions in the equation), model validation test, and extreme conditions test. After testing, the parameter "government rewards", as an example to illustrate the model validation test.

Current CWRR rewards in Chengdu is 0 yuan/tonne, in order to test the model behavior effect when the "government rewards" changes, if it is assumed that there are other three fees scenarios (5 yuan/tonne, 10 yuan/tonne and 15 yuan/tonne, respectively), to simulate the above four scenarios, then to inspect the change of WRR amount and waste landfilled amount. Simulation results in Fig. 4 show that compared to the base scenario (government rewards of 0 yuan/tonne), when the government rewards up to 5 yuan/tonne, 10 yuan/tonne, and 15 yuan/tonne, respectively, the WRR amount appears significantly increasing, and the waste landfilled amount decreasing significantly. Thus, when the other parameters in the model are the same, as the government rewards increasing, the WRR amount will be more and the waste landfilled amount will be less. This is mainly because the economic benefit of WRR is rising, and the economic benefit of waste landfilling is declining, in line with the actual situation.

To sum up, the model in this paper, through the model validation, can reasonably reflect actual situation, and can be used in the simulation analysis.



**Figure 4.** The model validation results (government rewards)

### 4.3 RESULTS OF THE BASE RUN

In the case study, the model is simulated in a total period of 24 months, which is corresponding to the construction duration of the project as indicated previously. The baserunsimulation results reflect the status quo of the project CWM, the key variables values areas follow, recycling market development level=1; construction enterprises' consciousness in setting up green image=1; the limiting value of market demand in renewable material=1. The baserun simulation results are shown in table 4. Table 4 shows that the project generated 6399.39 tonne of waste in all during construction, including 639.939 tonne of the foundation engineering, 3199.691 tonne of the main body engineering, and 2559.76 tonne of the decoration engineering. Conducted WRR disposal 1858.87 tonne totally, including 65.0272 tonne of the foundation engineering, 1515.6928 tonne of the main body engineering, and 278.15 tonne of the decoration engineering. Waste landfilled 4540.52 tonne in total, covered 574.912 tonne of the foundation engineering, 1683.998 tonne of the main body engineering, and 2281.61 tonne of the decoration engineering.

It can be seen from the results that WRR rate of the foundation engineering is low, mainly due to the engineering involving a small amount of recyclable building materials; the main body engineering's WRR rate is relatively high, mainly because building materials such as reinforcement, formwork and wood can be widely recycled; the WRR rate of the decoration engineering is also low, as only some metal components can be recycled.

**Table 4** The baserun simulation results

| Month | Amount of generated waste (tonne) | Amount of waste resource recovery (tonne) | Amount of waste landfilled (tonne) |
|-------|-----------------------------------|-------------------------------------------|------------------------------------|
| 0     | 0                                 | 0                                         | 0                                  |
| 1     | 127.988                           | 12.9908                                   | 114.997                            |
| 2     | 255.976                           | 25.9889                                   | 229.987                            |
| 3     | 383.964                           | 38.9943                                   | 344.969                            |
| 4     | 511.951                           | 52.0071                                   | 459.944                            |
| 5     | 639.939                           | 65.0272                                   | 574.912                            |
| 6     | 959.909                           | 202.222                                   | 757.687                            |
| 7     | 1279.88                           | 342.438                                   | 937.44                             |
| 8     | 1599.85                           | 485.739                                   | 1114.11                            |
| 9     | 1919.82                           | 632.189                                   | 1287.63                            |
| 10    | 2239.79                           | 781.853                                   | 1457.93                            |
| 11    | 2559.76                           | 934.798                                   | 1624.96                            |
| 12    | 2879.73                           | 1091.09                                   | 1788.64                            |
| 13    | 3199.7                            | 1250.79                                   | 1948.9                             |
| 14    | 3519.66                           | 1413.98                                   | 2105.68                            |
| 15    | 3839.63                           | 1580.72                                   | 2258.91                            |
| 16    | 4124.05                           | 1611.47                                   | 2512.58                            |
| 17    | 4408.47                           | 1642.26                                   | 2766.21                            |
| 18    | 4692.89                           | 1673.08                                   | 3019.8                             |
| 19    | 4977.3                            | 1703.95                                   | 3273.36                            |
| 20    | 5261.72                           | 1734.85                                   | 3526.87                            |
| 21    | 5546.14                           | 1765.8                                    | 3780.34                            |

|    |         |         |         |
|----|---------|---------|---------|
| 22 | 5830.56 | 1796.78 | 4033.78 |
| 23 | 6114.97 | 1827.8  | 4287.17 |
| 24 | 6399.39 | 1858.87 | 4540.52 |

#### 4.4 RESULTS OF THE POLICY SCENARIOS

In order to encourage contractors in CWRR, raise the level of CWM; formulate rational and effective measures, by finding the key variables including the enterprise green image level, the maturation of waste recycling market and the waste recycling limiting factors. Through the changes of the key variables, study the influence degree of the amount of WRR and waste landfilled, to make scientific and effective waste management measures, to improve the economic benefit of WRR, and then to promote increasing of the amount of WRR. As a result, three policy scenarios are developed accordingly, which are:

- Scenario 1 (S1): this scenario is concerned with how changes in the enterprise green image level (EGIL) affect the amount of WRR and waste landfilled;
- Scenario 2 (S2): this scenario is designed to simulate how changes in the maturation of the waste recycling market (MWRM) influence the amount of WRR and waste landfilled; and
- Scenario 3 (S3): this scenario aims at examining how the effect of changing the waste recycling limiting factors (WRLF) influence the amount of WRR and waste landfilled.

**Table 5** Input variable values of three scenarios

| Scenario      | Run        | Values of variables                                                                                                                                                                                                                   |
|---------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| scenario1(S1) | Run1(S1-1) | Base run: Construction enterprises' consciousness in setting up green image (CECGI)=1                                                                                                                                                 |
|               | Run2(S1-2) | In this simulation, take effective measures to increase the value of CECGI, then, increase the value of economic benefit of WRR. So, CECGI=Key variable values in base run*(1+0.1)                                                    |
|               | Run3(S1-3) | CECGI=Key variable values in base run*(1+0.2)                                                                                                                                                                                         |
|               | Run4(S1-4) | CECGI=Key variable values in base run*(1+0.3)                                                                                                                                                                                         |
| scenario2(S2) | Run1(S2-1) | Base run: Recycling market development level (RMDL)=1                                                                                                                                                                                 |
|               | Run2(S2-2) | In this simulation, take effective measures to increase the value of RMDL, then, to increase the value of economic benefit of WRR. So, RMDL=Key variable values in base run*(1+0.1)                                                   |
|               | Run3(S2-3) | RMDL=Key variable values in base run*(1+0.2)                                                                                                                                                                                          |
|               | Run4(S2-4) | RMDL=Key variable values in base run*(1+0.3)                                                                                                                                                                                          |
| scenario3(S3) | Run1(S3-1) | Base run: The limiting value of market demand in renewable material (LMDRM)=1; The weighted value of waste recycling limiting factors (WWRLF)=1                                                                                       |
|               | Run2(S3-2) | In this simulation, take effective measures to increase the value of MDRM, and to reduce the value of WRLF, then, to increase the value of economic benefit of WRR. So, LMDRM=Key variable values in base run-0.1; WWRLF=Key variable |

|  |            |                                                                                          |
|--|------------|------------------------------------------------------------------------------------------|
|  |            | values in base run-0.05                                                                  |
|  | Run3(S3-3) | LMDRM=Key variable values in base run-0.2;<br>WWRLF=Key variable values in base run-0.1  |
|  | Run4(S3-4) | LMDRM=Key variable values in base run-0.3;<br>WWRLF=Key variable values in base run-0.15 |

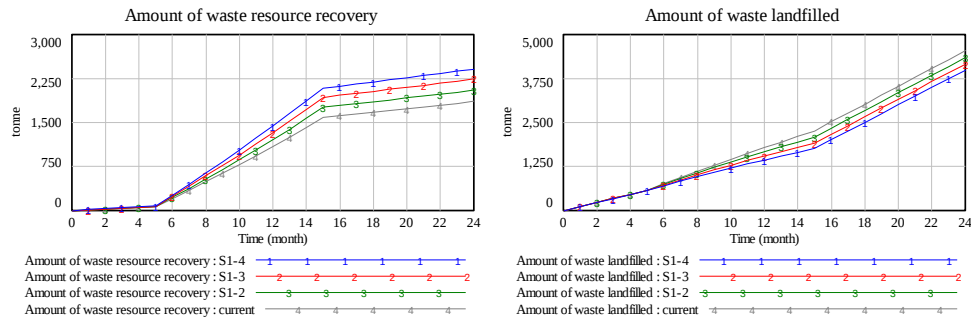
The input variable values of the three scenarios are shown in table 5. It is clear that S1, S2 and S3 are all single-policy scenarios. In a single-policy scenario, only one management measure is taken while other variables remain unchanged, as they are in the model validation.

As shown in the model (see Fig. 3), the amount of WRR and waste landfilled in the three stages of construction are determined by their economic benefit, the economic benefits affected by the three variables, the EGIL, the MWRM and the WRLF. Therefore, S1 is carried out by improving the value of EGIL, S2 by increasing the MWRM value, and S3 by decreasing the value of WRLF. Through the policy scenarios simulations, different construction stages are discussed, and determined the effective measures to raise the economical benefit of WRR. The simulation results of the three scenarios are shown in Fig. 5-7.

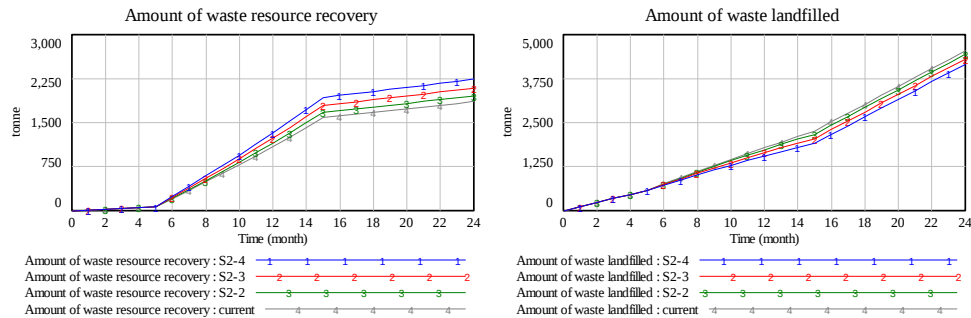
Scenario 1 is used to test the impact of the value changes of CECGI when relevant measures are adopted. In this scenario, the model is simulated under four situations, among which one is the base run and the other three are designed to test how different levels of the measure could contribute to the amount of WRR and waste landfilled (see Table 5). Based on the simulation results in Fig. 5, it is seen that after adoption of the green image measure, the amount of WRR value has increased from 1858.87 tonne in the base run to 2407.9 tonne in the fourth run (increased by 29.5%); the amount of waste landfilled value has decreased from 4540.52 tonne in the base run to 3991.5 tonne in the fourth run (decreased by 12.1%), demonstrating that the level of WRR can be improved by adopting measures to encourage construction enterprises to set up green image.

Scenario 2 is to test the impact of the RMDL value changes when measures are implemented in the current market. In this scenario, the model is also simulated under four situations, in which one is the base run and the other three are designed to simulate how different levels of the market development measure could contribute to the amount of WRR and waste landfilled (see Table 5). According to the simulation results in Fig. 6, it is seen that the value of the WRR amount changed significantly, from 1858.87 tonne in the base run to 2239.79 tonne in the fourth run (increased by 20.5%); the value of waste landfilled decreased from 4540.52 tonne in the base run to 4159.6 tonne in the fourth run (decreased by 8.4%), indicating that adoption of measures for promoting market development can lead to improvement in the level of WRR in the studied project.

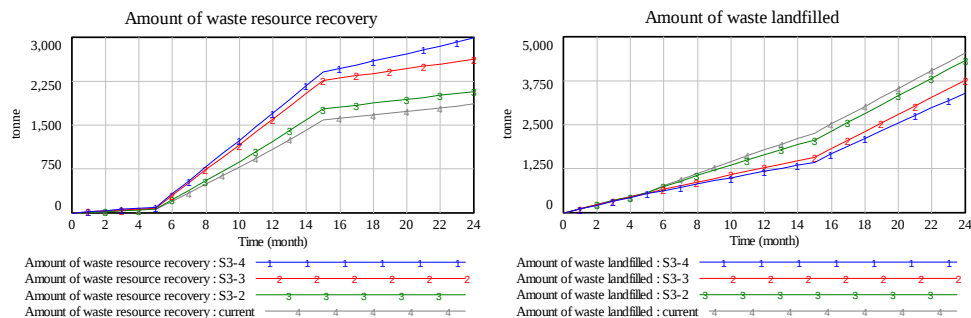
In scenario 3, measures are taken to improve the market demand in renewable materials to test the impact of the WWRLF changes. In this scenario, the model is also simulated under four situations, one is the base run and the other three are designed to simulate how different levels of the market demand measure could contribute to the amount of WRR and waste landfilled (see Table 5). Simulation results in Fig. 7 demonstrate that the value of WRR amount can be increased from 1858.87 tonne in the base run to 2988.18 tonne (increased by 60.8%); the value of waste landfilled amount can be decreased from 4540.52 tonne in the base run to 3411.21 tonne (decreased by 24.9%) after adopting the relevant measures mentioned above.



**Figure 5.** Scenario 1 simulation results (enterprise green image level)



**Figure 6.** Scenario 2 simulation results (maturation of waste recycling market)



**Figure 7.** Scenario 3 simulation results (waste recycling limiting factors)

By comparing the simulation results of the scenarios(i.e. S1, S2 and S3), it is observed that:

1.The most effective measures to increase the amount of CWRR is to improve the market demand in renewable materials;the second is to promoteconstruction enterprises in setting up green images; the last isto adopt measures for promoting the marketdevelopment.Compared with the first two measures the last has no significant effect and its growth rate is slower.

2. As shown inFig. 5-7, (a) because of the building materials limitation in the foundation engineering stage, the effect of taking measures to improve the level of WRR is not obvious; (b)the period of main bodyengineering stage is long, construction materials have large consumption, so taking measures to raise the level of WRR effect is very significant; (c)consumption of the variousbuilding materials in the decoration engineering stage is relatively large, but very little is recyclable waste, so the effect of taking measures to raise

the level of WRR is generally much less. Therefore, construction enterprises should focus WRR on the main body engineering stage, and WRR in decoration engineering stage should also be considered.

## 5. DISCUSSION AND CONCLUSIONS

CWRRM has always been a focus within academia and industry, as it is directly related to the effectiveness of CWM activities, and to a great extent, affects sustainable development in green buildings and the environment. How to incentive the enthusiasm of stakeholders in waste management is especially critical. So far, although some researchers have discussed the CWRR problem, but the results cannot quantitatively reflect the dynamic changes of CWRR at different construction stages. Therefore, this paper has established a model for CW resourceful disposal in three stages of construction, SD method was used, and it can well reflect the dynamic change of CWRR at different stages of the construction.

Through the model validation and empirical simulation, the main conclusions are as follows:

1. Most CW generated in the case study is still conduct landfill disposal as the main disposal way. While making use of the strategies to improve the economic benefit of WRR, resourceful waste is also increasing, but the proportion is low.
2. By improving the market demand in renewable materials, the amount of WRR can be increased, and reducing the amount of waste landfilled. In fact, the production technical maturity of recycled materials is very high, and the quality of recycled materials can meet the requirements of most construction projects. Compared with natural building materials, their environmental protection index is high; their energy preservation and heat insulation effect is also good. Therefore, recycled materials can be quality certified, to do a good propaganda job, and to encourage the greater use of recycled materials in the field of construction projects.
3. Improving the construction enterprises' consciousness in setting up green images, can increase the amount of WRR, and reduce the amount of waste landfilled. Construction enterprises choose a green development strategy, not only to meet the requirement of the external environment, but to enhance their own competitiveness, and the inevitable requirement of improved sustainable development. Government could consider establishing an evaluation index system for construction enterprises green images, visualizing and reifying the green mission and green responsibility of construction enterprises, indicating enterprises the operational green strategy targets, at the same time providing green criteria for the government and the public to oversee construction enterprises' development.
4. Improving the recycling market development level, can increase the amount of WRR, and reduce the amount of waste landfilled. Subsidies are among the most effective incentives. Government can introduce CWRR subsidy policies, giving reasonable rewards to projects for WRR disposal; cutting taxes for companies which undertake WRR disposal; project financing can also introduce corresponding policy support. Promoting the development and improving the maturation level of the waste recycling market would be a positive approach.

This paper develops the model for CW resourceful disposal in three stages of construction, can well describes the main interaction of the factors in the study system studied. The results of the empirical research provide useful information for CWRR. The influence of multi-policy scenarios to the amount of WRR and waste landfilled can be studied, to determine the optimal portfolio strategy. The model can also be applied to other similar construction projects, to scientifically evaluate the effect of WRR management measures.

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## APPENDIX A.

Amount of generated waste(t+1)=Amount of generated waste(t)+Waste generating(t+1)

INIT Amount of generated waste=0tonne

Waste generating=IF THEN ELSE(Time<=4,(Level of waste generated\*0.1)/5,IF THEN ELSE(Time>4:AND:Time<=14,(Level of waste generated\*0.5)/10,(Level of waste generated\*0.4)/9))

Level of waste generated=Construction area\*Average waste generating per unit area

Amount of waste resource recovery(t+1)=Amount of waste resource recovery(t)+Waste resource recovery(t+1)

INIT Amount of waste resource recovery=0tonne

Waste resource recovery=Ratio of waste resource recovery\*Waste generating

Ratio of waste resource recovery=WITH LOOKUP(Economic benefit of waste resource recovery)

(([-90,0)-(-85,10)],(-90,0.01),(-85,0.1),(-80,0.13),(-75,0.15),(-70,0.3),(-65,0.66),(-60,0.71),(-55,0.78),(-50,0.8))

Economic benefit of waste resource recovery=((((-Unit costs of collecting and sorting-Transportation cost 2+Material cost savings+Government rewards)/Enterprise green image level)/Maturation of waste recycling market)\*Waste recycling limiting factors)\*Construction schedule

Amount of waste landfilled(t+1)=Amount of waste landfilled(t)+Waste landfilling(t+1)

INIT Amount of waste landfilled=0tonne

Waste landfilling=Actual ratio of waste landfilled\*Waste generating

Economic ratio of waste landfilled=WITH LOOKUP(Economic benefit of waste landfilling)

(([-200,0)-(-140,10)],(-140,0.21),(-120,0.22),(-100,0.23),(-80,0.24),(-60,0.48),(-40,0.7),(-15,0.81),(-5,0.91))

Economic benefit of waste landfilling=(((-Unit landfill charge-Transportation cost 1)\*Regulatory compliance)/Waste recycling limiting factors)/Construction schedule

Waste resource recovery effect=WITH LOOKUP(Amount of waste resource recovery)

(([(0,0)-(10000,10)],(0,1),(1000,1.01),(2000,1.02),(4000,1.05),(8000,1.1))

Waste landfill effect=WITH LOOKUP(Amount of waste landfilled)

(([(0,0)-(7000,10)],(0,1),(7000,1.01))

Constraints on waste recycling=Waste resource recovery effect\*0.5+Waste landfill effect\*0.5

Waste recycling limiting factors=(Unrecyclable limit\*0.3+Market demand in renewable materials\*0.5+Government standardizes waste recycling market\*0.2)\*Constraints on waste recycling\*The material impact factor

Enterprise green image level=Waste resource recovery effect\*The green impact factor

Maturation of waste recycling market=Waste resource recovery effect\*The market impact factor

The material impact factor=WITH LOOKUP(Market demand in renewable materials)

$((0,0)-(10,10)), (0.7, 1.039), (0.8, 1.04), (0.9, 1.041), (1, 1))$

The green impact factor=WITH LOOKUP(Construction enterprises' consciousness in setting up green image)

$((0,0)-(10,10)), (1, 1), (1.1, 1.01), (1.2, 1.02), (1.3, 1.03))$

The market impact factor=WITH LOOKUP(Recycling market development level)

$((0,0)-(10,10)), (1, 1), (1.1, 1.005), (1.2, 1.012), (1.3, 1.02))$

Construction schedule=IF THEN ELSE(Time<=4,1.13,IF THEN ELSE(Time>4:AND:Time<=14,0.91,1.14))

Proportion of waste to landfill=1-Ratio of waste resource recovery

Actual ratio of waste landfilled=IF THEN ELSE(Economic ratio of waste landfilled=Proportion of waste to landfill,Economic ratio of waste landfilled,Proportion of waste to landfill)