



# Looking ahead, and aiming for a new way of life

*By Zunaid Moolla*

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*The author discusses the 'Doughnut Economy', an alternative model that measures a country's well-being against two criteria; a 'socially satisfied society' and a 'healthy environment'. As an example he refers to Amsterdam, which is aspiring to become a Doughnut city in which all residents have access to a good quality of life without putting a strain on the physical environment.*

When the small country of Bhutan started to measure Gross National Happiness (GNH) almost 50 years ago, it opened the window on the possibility that the ubiquitous Gross Domestic Product (GDP) would one day end up on the dust heap of history. Now that prospect seems even nearer.

For several decades GDP has been considered at best an inadequate measure of a country's well-being and, at worst, a terrible distortion of the

multi-dimensional forms of human existence and the physical environment in which we live. Why? Because GDP tells us how much each country produced (quantity) but nothing about the lives of the people who made all those products (quality). It tells us about the human effort that goes into turning nature's materials into an array of goods but has never calculated the damage that effort and those goods have done to nature. It monetizes the furniture that was made from all the trees but doesn't tell us the value of the forest without those trees. Yet it is GDP that determines a country's standing in the world of economies: who's at the top, who's at the bottom; who is high risk and low risk; who joins the club of the strong and powerful and who is excluded.

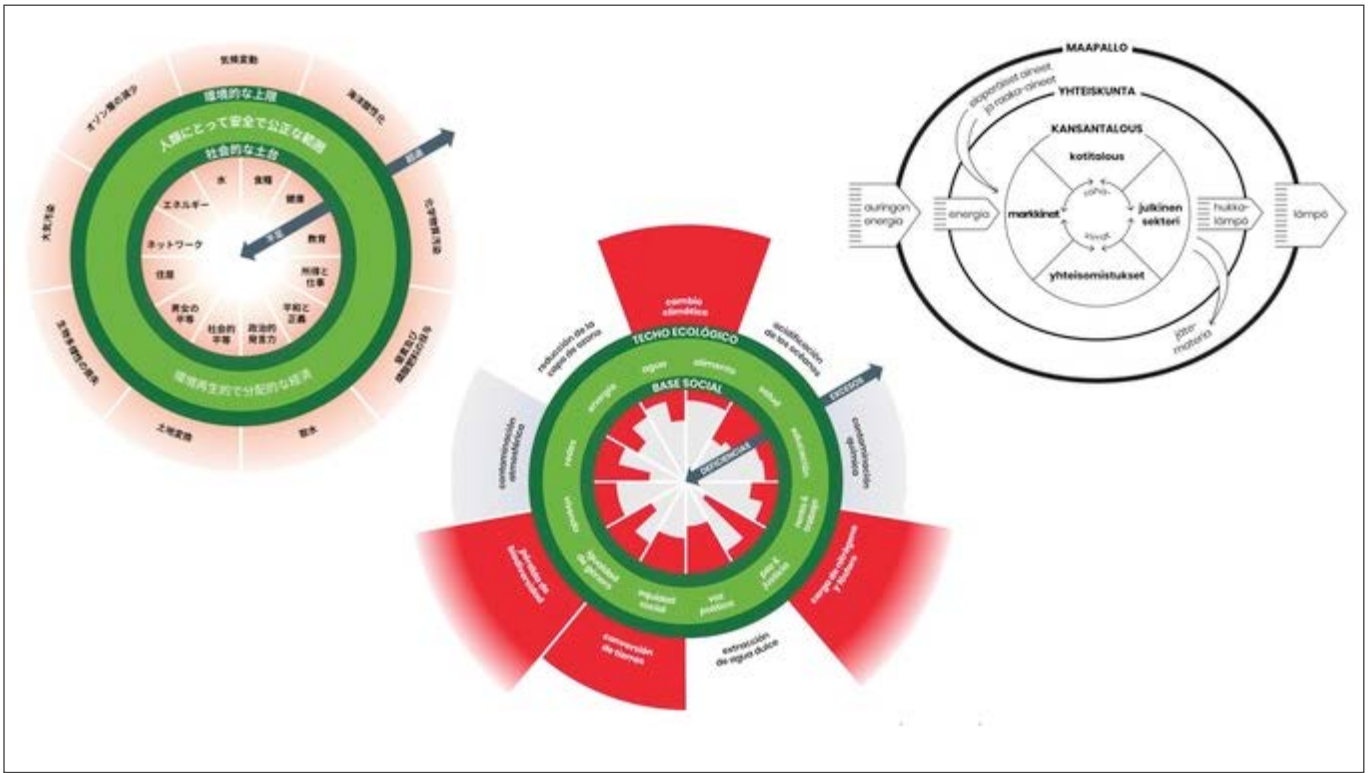
Ponder for a moment the crazy logic of GDP. Ralph Nader, the American consumer activist and one-time presidential candidate, pointed out in the 1960s that we could grow GDP by having more accidents on our roads or encouraging more criminal acts such as burglary and murder. More cars and properties damaged, more injuries and deaths, more insurance claims – all these are recorded as contributions to GDP.

Perhaps the biggest flaw in GDP is how it completely ignores the work of those people who are most essential

to production: our mothers, and all the other women who devote their time and effort to feeding us, raising us, looking after every one of our needs. How much would you pay your mother or your wife for the "services" she has rendered over a 10 – 15 year period? Well, that will never show up in GDP.

Fortunately, economists and other social scientists have been working hard since the 1970s at developing alternative indicators for economy and society. The United Nations Human Development Index (UNHDI) is probably the most widely used of these indicators and covers the dimensions of Life Expectancy, Education and Standard of Living, each of which is comprised of a range of criteria. Others are Genuine Progress Indicators, Green Gross Domestic Product, Happy Planet Index and the Better Life Index.

Now the alternative indicators have a new champion which puts human beings and the environment centre stage. Say welcome to Doughnut Economics! The brainchild of Kate Raworth, Doughnut Economics looks at the two most important elements of planet earth and its inhabitants: a socially satisfied society and a healthy environment. The environment has a ceiling beyond which human life is threatened with disaster and calamity. ►



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Social life has a foundation: those who live below it are in peril of wasting away and never realising their human potential. What we see in rich countries is people living above the ceiling. In poor countries, people are below the foundation. Our aim, according to Raworth, is to get people in rich countries to live below the ceiling and those in poor countries to live above the foundation. For Raworth, this is the

“sweet spot” – the space in between. The two rings that make up Raworth’s doughnut are (1) the 12 essentials that no one in society should be deprived of (the inner ring) and (2) the nine ecological limits of earth’s life-supporting systems which we, in our collective responsibility, must not breach (the outer ring). The inner ring or the social foundation, is composed of Food, Water, Energy, Health, Education, Income/Work, Political Voice, Peace/Justice, Social Equity, Gender Equality, Housing and Networks. The limits of the outer ring that should not be overstepped are Climate Change, Ocean Acidification, Chemical Pollution, Nitrogen and Phosphorous Loading, Freshwater Withdrawals, Land Conversion, Biodiversity Loss, Air Pollution and Ozone Layer Depletion. Countries or cities can decide which elements of the inner and outer rings they want to prioritise or target. This kindled memories of the courses we taught (pre-Covid-19) in the Training for Transformation Program

at the Grail Centre in Kleinmond, just outside Cape Town. There we used the Wheel of Fundamental Human Needs created by Ann Hope and Sally Timmel, the founders of the Program. The wedges (or spokes) in the Wheel are made up of the following: Food, Water, Shelter, Fuel, Protection, Creativity, Freedom, Affection, Understanding, Leisure, Identity and Participation. The city of Amsterdam has taken Raworth’s ideas very seriously. The deputy mayor for sustainability is setting out to make it a Doughnut city. The aim is to ensure that all 872,000 residents have access to a good quality of life without putting a strain on the physical environment. Through huge infrastructure projects, schemes to increase employment and changes in the government policies that deal with contracts, they plan to make Amsterdam’s residents live, work and play in harmony with the environment while pursuing a good quality of life for all. City officials are integrating Raworth’s ideas on the Doughnut



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Economy with the Circular Economy, an environmentally responsible way of producing materials with several stages of alternate usage. It encompasses the three Rs that became popular four decades ago with materials and food – reduce, reuse and recycle.

Work on creating the Doughnut Economy is already underway in a part of the city. The new development is designed to produce zero emissions and will emphasise access to social housing and nature. Strict contractual obligations have been introduced for contractors of buildings owned by the city. They (contractors) will have to obtain certification that some or all of the materials they have used for constructing the buildings can be reused should the buildings be taken down. The change in thinking among city officials has taken root as demonstrated when the first wave of the corona virus hit Europe. As lockdown set in, the city realised that those residents without computers and Wi-Fi could become completely isolated so they arranged for a collection of old and damaged laptops and got a company to repair them. In a relatively short period, some 3,500 residents became connected in a time of extreme urgency.

Other cities have already expressed an interest in adopting the Doughnut.

Copenhagen, Brussels, Dunedin in New Zealand, Nanaimo in British Columbia, and Austin and Portland in the USA, want to follow the example of Amsterdam. The Doughnut Economics Action Lab (DEAL), an organisation created by Raworth, is guiding those who have sent in requests for getting their Doughnuts off the ground.

Some have already reacted negatively to Doughnut Economics. Its critics include academics and councillors in local governments who see it as a left-wing agenda that is against business, growth and development. Economic conservatives argue that Doughnut Economics could not do what capitalism has done, namely, lift millions out of poverty.

The big question that has arisen since Doughnut Economics entered the stage is whether it will replace capitalism. One possibility is that capitalism will adapt successfully to the changes introduced by the Doughnut Economy. An example of this is the textile suppliers in Amsterdam associated with the denim industry who have agreed to include 20% recycled materials by 2023 for 3 billion garments that they produce. For its part, the city will collect old denim from residents and pass them on to repair shops that will try to re-purpose them for sale in the market. Another possibility is that capitalism will become less robust and, therefore, more restrained as investment in businesses that are deemed socially and environmentally harmful are curtailed. In other words, the era of capitalists as free agents acting to maximise their own personal (or corporate) interests will draw to a close. Their decisions will no longer be subject to market forces but by the earth's capacity to sustain life. A third possibility is that production will increasingly be taken over by entities that are engaged in socially useful activities rather than for-profit ones while still run on business principles. Only a few enterprises in specific

industries may be left to run on purely capitalist terms owing to conditions in that industry but they too will be subject to the rules of engagement in favour of environmental sustainability and a good life for all citizens.

A vital participant in the transition to Doughnut Economics will be communities in whose name the changes are being introduced. In Amsterdam about 400 local residents and organisations created the Amsterdam Doughnut Coalition, a network whose purpose is to run their own programmes at grassroots level. After being given permission to use parking spaces for neighbourhood dinners in the summer during the pandemic, residents got the municipality to turn these spaces into food gardens. It is such partnerships – municipalities, businesses and communities – that are likely to determine what is achievable with the Doughnut Economy.

In the Training for Transformation Program we used to take the participants through the four stages of economic transition for any given society: from Charity to Development to Liberation to Transformation. Far too many countries remain at the Charity stage while the few who made it to the Liberation stage started the Transformation stage on the wrong foot. They made nature something external to us, to be used and then discarded, as if living systems were nothing more than dump sites. Value was given a quantitative notion to record the processes that were involved in turning everything that nature provided into some or other thing that human beings consumed. GDP was the right measure for this but a gross distortion of what constitutes life. In the words of Lorenz Fiamonti and the title of his famous book, it has been our *Gross Domestic Problem*. With the advent of Doughnut Economics, we might at last be able to say: hey GDP, move over! **NA**